



**City of  
Matlosana**

**matlosanamall**



# ANNUAL REPORT

2014 - 2015

**2014/15**



# Annual Report

## *City of Matlosana*

**Vision:** *"By 2020 the City of Matlosana will be a Leading Municipality, with Satisfied Stakeholders and a Healthy, Sustainable Financial Position"*

**Mission:** *"Leading and Managing our City effectively and efficiently in partnership with others, facilitating the Generation & Safeguarding of Financial Resources and ensuring Sustainable Development"*

### **City of Matlosana**

C/o OR Tambo & Bram Fischer  
Streets  
PO Box 99  
Klerksdorp  
2570  
Phone: 018 487 8527  
Fax: 086 528 5221  
Email: [strategic@klerksdorp.org](mailto:strategic@klerksdorp.org)  
Website: [matlosana.gov.za](http://matlosana.gov.za)



# Preface

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### EXECUTIVE MAYOR’S FOREWORD

The Local Government Municipality System Act, 32 of 2000, as amended (section 46) and Local Government Municipal Forum Management Act, 56 of 2003 (section 83) requires us to submit the annual report for the financial year starting from 1 July 2014 to 30 June 2015 of the City of Matlosana.



We have reviewed our performance during the 2014/2015 financial year and took cognisance of the achievements we gained. We were able to obtain a qualified audit opinion which we applaud ourselves for. This is a positive sign which indicate fulfilment of our obligation.

We will continue to move a step closer to closing the gap on the challenges of expanding services and infrastructure to our communities and create a better future.

While our financial state was on a downward trend at a certain point, it must be reported that at the moment it is resurging and will improve like it was in the past.

The section 139(1)(b) intervention within the municipality was a great relief to the community and was finally understood and welcomed since it has brought changes to the operations within the administration and financial management section.

“*The Future is Certain*”, is a theme which we have adopted and this is indicated by the current improvement of performance in managing our finances. The municipality has adopted a new approach which seeks to better controls and systems in order to have financial stability.

The City continues to tackle the triple challenges which include amongst others:

- Poverty
- Unemployment
- Inequalities
- Services maintenance
- Economic growth in townships
- Limited resources and extensive needs of our community
- Poor payments of services
- Theft, fraud, corruption and vandalism

# Chapter 1

## Key Service Delivery Projects

During the period under review, we were unable to complete some of the projects and programmes that were budgeted for resulting in the two previous finance years. Other projects are in the completion stage and some we completed.

PROJECTS	BUDGET
Upgrading of Water Mains in Kanana	R3 012 100
Alabama Bulk Water Supply (Phase) - 2ml Pressure Tower	R17 378 850
Upgrading of Water Reticulation Network in KOSH Area (Klerksdorp, Orkney & Hartbeesfontein)	R4 838 815
Upgrading Sewer Network – Khuma Proper ( North East)	R17 232 487
Installation of Sewer Outfall Line in Kanana – Extension 14	R610 833
Upgrading Mechanical & Electrical Equipment at Sewer Pump stations ( Phase 1)	R7 254 644
Opening of One New Solid Waste Cell on Existing solid Waste Disposal Site in Klerksdorp	R3 729 471
Main Storm-water Drainage in Jouberton (Phase 6)	R4 242 230
Main Storm-water Drainage Kanana (Phase 1)	R4 242 230
Main Storm-water Drainage in Khuma (Phase 1)	R4 242 230
Main Storm-water Drainage in Tigane ( Phase 1)	R4 242 230
Main Storm-water Drainage in Alabama ( Phase 1)	R4 242 230
Jouberton Hot Spot areas High Mast Lights (phase 1)	R4 242 230
Khuma High Mast Lights ( Phase 4)	R4 242 230
Kanana High Mast Lights (Phase 7)	R4 242 230

## Private Public Partnership

This public private with other stakeholders is pursued on the basis of the provision of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended and also by the provisions of chapter 16 of the National Treasury Regulations issued under the Public Finance Management Act, which also seeks to ensure the need to facilitate the delivery of required services.

However, we are engaging other role players to establish Public Private Partnerships especially on alternative and complimentary energy and other challenging matters in our City.

The relationship between the Municipality and Anglo Gold Ashanti has resulted a positive outlook and best achievement since some of the agreed projects are in progress.

## Public Participation

Various consultative meetings are continuing to engage with the community and all stakeholders in order to understand the challenges and accept affordable proposals.

Dialogues with the youth who are facing serious challenges of unemployment were held in our municipality and were later followed by the provincial government programme of Setsokotsane. This is the outreach programme


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supported by all sector departments with a positive intention of taking services to the community. It services the farms where services are in dire need.

Mayoral Imbizos and monthly meetings within our various wards will continue effectively to interact with our people and allowing debates which will help to improve our performance.

## Main Objectives

- To ensure that we achieve a common vision which seeks to create a better life for all;
- to be able to respond to the services delivery obligations in a manner befitting our community;
- to unite all the people of Matlosana;
- to support and promote the development of our youth through developmental programmes;
- to defend the democratic gains of the people and to advance towards a society in which the government is freely supported by the people;
- to promote economic development for the benefit of all; and
- to support and advance the cause of women's emancipation and promote the struggle for the rights of children and people living with disability.



**CLLR MK KHAUOE**  
**EXECUTIVE MAYOR**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003, which requires that the performance report of the municipality and of any municipal entity under the municipality's sole or shared control be tabled at the Municipal Council by the Executive Mayor. After which, the Municipal Manager must make the report public and invite the local community to submit representation in respect of issues raised in the report.

Section 121(2) of the Municipal Finance Management Act, Act 56 of 2003 read with Circular 11 and Circular 63, both of MFMA give purpose of the Annual Report as to:

- provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- provide a report on performance against the budget of the municipality or the municipal entity for that financial year; and
- promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

It is for that reason that this report will endeavour to cover the broad view of the City of Matlosana Municipal Area with information such as socio-economic profile of the area, the achievements gained in delivering services to the community as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation undertaken by the municipality to ensure involvement of the communities of the City of Matlosana in planning as well as in delivery of services that meet their needs in the period under review.

The purpose of the report is further to reflect on the work carried out in 2014/2015 period and to provide feedback on performance against targets to various stakeholders including the community, government departments and other interested parties. The report also ensures that accountability is upheld and the clients of the municipality are informed about the decisions that were taken in this period under review.

In the period under review, the City of Matlosana municipality ensured that the budget, the IDP and the Service Delivery Budget Implementation Plans are aligned.

The City of Matlosana enjoys sound inter sphere and sector relationships and no major challenges exist in the project planning section, due to mutual working relations among the Executive Mayor, politicians and the top management from the administration component of the municipality.

We are focused on developing consensus around strategic developmental priorities and are committed to challenges of poverty alleviation, local economic development and environmental sustainability.

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The following have been achieved during this period under review:

- Provided 100% of urban households with access to basic water.
- Provided 90% of rural households with access to basic water.
- Provided 98% of urban households with access to basic sanitation.
- Provided 80% of rural households with access to basic sanitation.
- Provided 99.8% of urban households with access to basic electricity.
- Provided 100% of approved rural settlements with free basic alternative energy (indigents).
- Provided 100% of registered rural settlements earning less than R2 700 per month with access to free basic services.
- Provided 100% of urban households with access to basic refuse removal.
- The Regional Mall called Matlosana Mall was opened in the current financial year. This venture has created many job opportunities and excitement around our area.

The municipality continues to instil a sense of conservation of power and water to all employees on the importance of ensuring that all lights and electrical appliances are switched off before knock off time as well as to make sure that all water taps and toilet cisterns are not left running as well as to report defects of same to the maintenance division.

It is worth mentioning that the City of Matlosana have tried to adhere to the principle of good governance as it is integral to economic growth, the eradication of poverty and for the sustainable development of the community we serve.

The North-West Provincial department of Local Government invoked section 139(1)(b) of the Constitution of the Republic in the last six months of the previous financial year until the last two quarters of the period under review. The intervention process was geared at assisting the municipality in the proper effective and efficient management of its finances. This has brought some improvements in the Finance directorate.

The intervention in terms of the provisions of section 139(1) (b) of the Constitution was extended from January 2015 for a minimum period of six months and a maximum period of twelve months. The scope of the intervention in terms of powers and responsibilities is now extended to cover the entire administration and executive powers of Council.

Special thanks goes to all the officials of the City of Matlosana Local Municipality for their dedication, hard work and commitment, the councillors for their oversight, particularly the Executive Mayor, The Speaker of Council, the Single Whip of Council, the Chairperson of MPAC and finally the Administrator.



**SG MABUDA**  
**ACTING MUNICIPAL MANAGER**

# Chapter 1

## 1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

### FUNCTIONS AND OBJECTIVES OF A MUNICIPAL COUNCIL

The primary role of the municipal council is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. It has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The municipal council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. The municipality may also administer any other matter assigned to it by national or provincial legislation. See **Appendix D** for list of function performed by the municipality.

In administering the matters assigned to local government, the municipal council must strive within its capacity to achieve the constitutional objects of local government.

#### Roles and Responsibilities within Local Government

These constitutional objects are:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

In terms of the Local Government: Municipal Structures Act, No. 117 of 1998, the municipal council must meet at least quarterly. The Act also requires the council to annually review:

- the needs of the community;
- its priorities to meet those needs;
- its processes for involving the community;
- its organisational and delivery mechanisms for meeting the needs of the community; and
- its overall performance in achieving the constitutional objectives outlined above.

The municipal council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. The Constitution confines the performance of certain functions to the municipal council alone. These functions may not be delegated by the council under any circumstances.

Functions which may not be delegated by the municipal council are:

- Passing of by-laws;
- Approval of budgets; and
- Imposition of rates and other taxes, levies and duties.
- Raising of loans

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## ABOUT THE CITY OF MATLOSANA

The Klerksdorp area originally established and developed as a regional service centre between the gold mining areas in the Rand and the diamond mining fields in the Cape in the late 1800s. The City of Matlosana local municipality is located in Dr Kenneth Kaunda District in the North-West Province. It is one of the four local municipalities in this district. The major towns are Klerksdorp, Orkney, Stilfontein and Hartbeesfontein.

The City of Matlosana was previously known as Klerksdorp (KOSH area) and today tends to refer to itself as the “City of People on the Move”.



The greater city area of Klerksdorp is situated on the N12 Treasure Corridor (SDI) linking the municipal area with the provinces of Gauteng to the East and the Northern Cape to the south west and it is located between Potchefstroom and Wolmaransstad.

The municipality was classified as a category B municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government: Municipal Structures Act, 1998.

The city is economically viable and has an abundance of government-owned land, which is still in need of bulk infrastructure to stimulate effective development projects.

Our fresh produce market is one of the largest in the country and open to business and partnerships. A capital injection along with reliable business partners will enable it to become the largest fresh produce market in South Africa.


Key investment opportunities include airport developments, retail shopping complex, central business development revitalisation, neighborhood development and rural economic development.

Places worth mentioning include the following:

- Bird Sanctuary (In Orkney).
- Faan Meintjies Nature Reserve.
- Ground Nut Factory (In Orkney).
- Johan Naser Dam.
- Klerksdorp Museum.
- Goudkoppie Heritage Site.
- Ou Dorp Hiking Trail.
- Fresh Produce Market.
- Matlosana Mall.
- Old Cemetery.

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The N12 development route was identified by the municipality as a flagship project for golden opportunities in the housing, business, industrial, heritage, mining, tourism and sport and recreation sectors.

The city co-ordinates are:  26°52'S 26°40'E 26.867°S 26.667°E

## A CITY WITH A VISION

As an organisation with the primary responsibility of ensuring that the Matlosana area is able to realise its full potential in every aspect, the vision and mission of the City of Matlosana is as follows:



## GEOGRAPHIC PROFILE

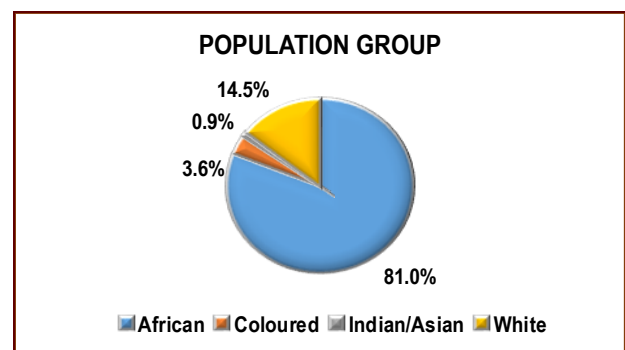
The municipal area of the City of Matlosana covers an area of 3 561km<sup>2</sup>. The main economic sectors are mining, agriculture manufacturing, services, construction and transport.

## DEMOGRAPHIC PROFILE

According to estimates based on the population growth rate of SA Statistics (1.04%) and the Matlosana Socio-Economic Report of 2012, the City of Matlosana has a total population of 438 486 people, of whom 103 407 (92%) are urbanised and 35 079 (8%) are rural. (Mining villages form part of the urban areas). The largest population concentrations are in Jouberton (31%), Kanana, Khuma and Tigane, which represent 67% of the total urban population. The City of Matlosana has a population density of 123 persons per km<sup>2</sup>.

### Population Information

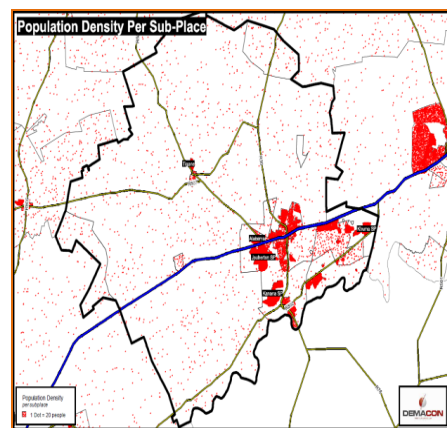
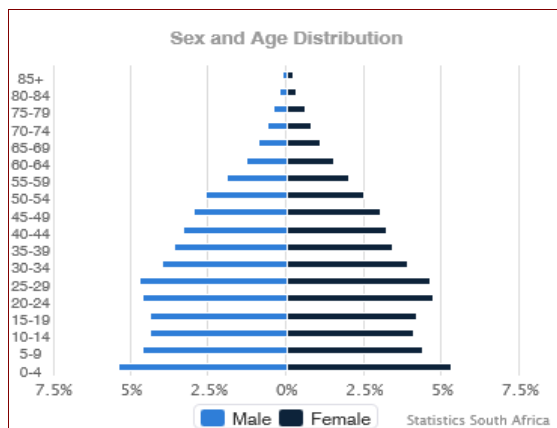
POPULATION GROUP	PERCENTAGE
African	81.0%
Coloured	3.6%
Indian/Asian	0.9%
White	14.5%



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POPULATION DETAILS					
Age	Male		Female		Total
	Number	%	Number	%	
<b>Population Details</b>	<b>217 928</b>	<b>49.7</b>	<b>220 558</b>	<b>50.3%</b>	<b>438 486</b>
Ages 0 – 14	63 142	14.4	60 512	13.8	123 654
Ages 15 – 19	17 539	4.0	18 416	4.2	35 955
Ages 20 – 29	40 779	9.3	40 779	9.3	81 558
Ages 30 – 39	33 325	7.6	32 009	7.3	65 334
Ages 40 – 49	27 625	6.3	27 186	6.2	54 811
Ages 50 – 64	25 871	5.9	27 186	6.2	53 057
Ages 65 +	9 647	2.2	14 470	3.3	24 117
<b>Source: Statistics SA</b>					

The population distribution is indicated on the **map**



**Source: Statistics SA**

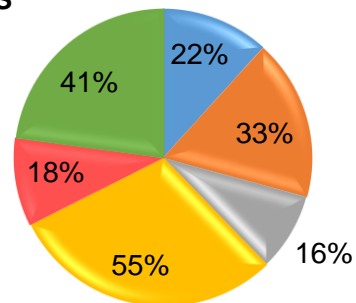
## SOCIO ECONOMIC STATUS

SOCIO ECONOMIC STATUS						
Year	Housing Backlog as proportion of current demand	Un-employment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2011/12	20%	23%	26%	48%	15%	37%
2012/13	21%	24%	26%	52%	20%	44%
2013/14	22%	25%	27%	55%	18%	42%
2014/15	22%	33%	16%	55%	18%	41%

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## SOCIA ECONOMIC STATUS

- Housing Backlog as proportion of current demand
- Un-employment Rate
- Proportion of Households with no Income
- Proportion of Population in Low-skilled Employment
- HIV/AIDS Prevalence
- Illiterate people older than 14 years



Since the early 1990s but more specifically since 2001, mining activities have downscaled drastically. This downscaling also leads to nearly 80% of the original workforce in 1996 being retrenched by 2015. The declining mining industry has resulted in the number of people living in poverty in the City of Matlosana almost doubling between 1996 and 2015.

Currently, the N12 Treasure Route puts Klerksdorp in the centre of new developments. Towards the west of the N12, developments comprise residential development, retail nodes and mixed land usages. This is where the Rio Tusk Casino and Shell garage (future truck inn) was developed as well as a Tower Mall who opened at the end of 2013. Towards the east of this corridor the new Matlosana Mall opened at the end of 2014. This development has also affected the decentralisation of business into the Northern suburbs of Klerksdorp and business activities along the N12.

## NATURAL RESOURCES

Major Natural Resource	Relevance to Community
Vaal River	Supplies Matlosana with water
Dry land, cultivated and land under irrigation	Agriculture potential
Dolomite aquifers	Surface mining

## COMMENT ON BACKGROUND DATA

Population and household growth have slightly increased over time. The average annual population growth between 2011 and 2015 was 1.04% and the average annual household growth between 1995 and 2015 was 3.46%. The household growth has increased over time and in 2014/15 the growth rate was at 1.04%. Population growth showed a slower increase and was at 0.35% in 2014.

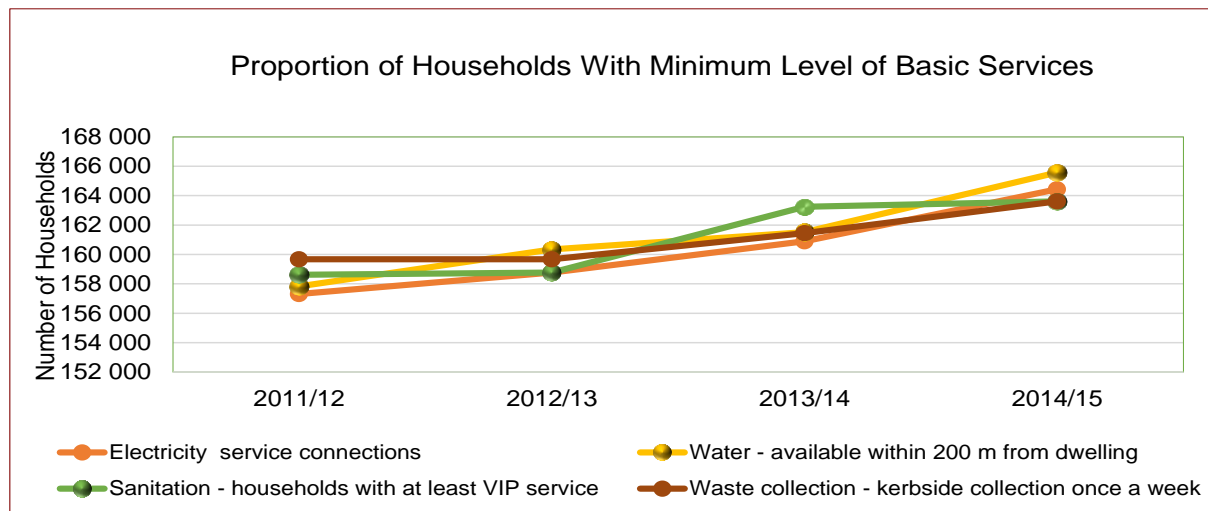
## 1.3 SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The biggest challenges that are faced by the infrastructure in the City of Matlosana are the aged infrastructure (outfall sewer pipelines and network distribution pipelines, water bulk distribution and network pipelines). Our infrastructure needs urgent and adequate maintenance. At this stage we are experiencing constant pipe burst and sewer blockages due to aging infrastructure.

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PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Service	2011/12	2012/13	2013/14	2014/15
Electricity service connections	157 315	158 774	160 890	164 436
Water - available within 200 m from dwelling	157 835	160 349	161 522	165 578
Sanitation - households with at least VIP service	158 615	158 770	163 237	163 612
Waste collection - kerbside collection once a week	159 680	159 680	161 454	163 612



## COMMENTS ON THE ACCESS TO BASIC SERVICES

Currently the shortfall in backlog on sanitation is at the average of 2.1% and water 2.6%. This is due to the rise of informal settlements.

## 1.4 FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The City of Matlosana is dependent on rates and services income as well as grant income, which constituted about a quarter of the municipality's income. The municipality's sustainability is dependent on the effective management of its resources as well as on the community's effective contribution to and participation in the budgeting process as well as by the payment of rates and for services.

Non-payment of rates and for services is a national concern and the City of Matlosana is not immune to the problem. The collection of outstanding debtors remains a challenge. Better planning and control over expenditure and higher efficiencies of staff will enhance service delivery.

The payment of bulk service also remains a challenge as the municipality experience difficulty to honour their commitments.

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It should be noted that council was placed under financial administration in terms of Section 139(1) (b) of the Constitution with effect from January 2014.

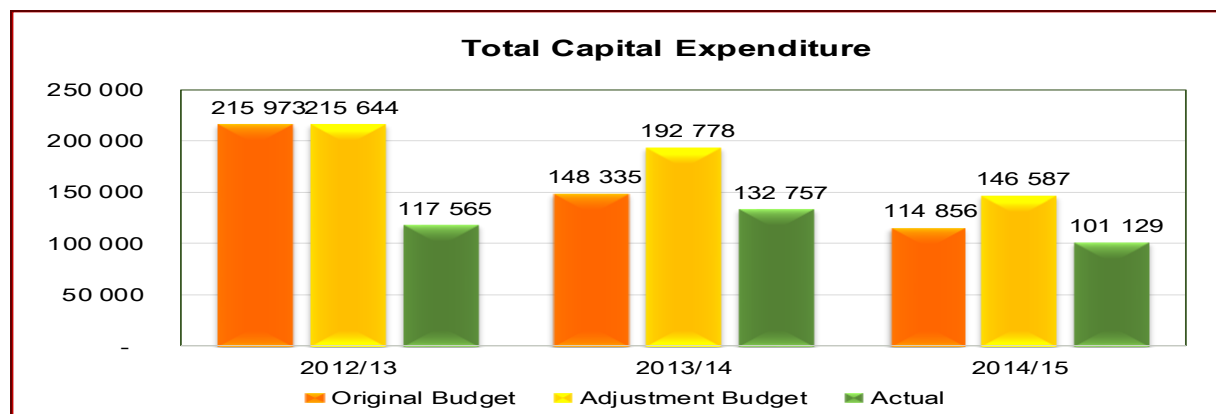
FINANCIAL OVERVIEW: 2014/15			
	R' 000		
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	347 183	348 750	434 482
Taxes, levies and tariffs	1 478 503	1 346 990	1 330 278
Other	189 419	422 781	139 788
Sub Total	2 015 105	2 118 521	1 904 548
Less: Expenditure	2 119 885	2 582 084	2 243 535
<b>Net Total*</b>	<b>104 780</b>	<b>463 563</b>	<b>338 987</b>

OPERATING RATIOS	
Detail	%
Employee Cost	26%
Repairs & Maintenance	3%
Finance Charges & Impairment	18%

## COMMENTS ON OPERATING RATIOS

The liquidity ratio is negative at 0.3% that indicates that council is not in a position to services its monthly commitments. If one looks at the quick ratio that exclude inventory from the above the picture looks even more negative.

TOTAL CAPITAL EXPENDITURE: 2012/13 TO 2014/15			
	R'000		
Detail	2012/13	2013/14	2014/15
Original Budget	215 973	148 335	114 856
Adjustment Budget	215 644	192 778	146 587
Actual	117 565	132 757	101 129



# Chapter 1

## COMMENTS ON CAPITAL EXPENDITURE

The expenditure on capital was lower than expected. As a result of capital grant money that was withheld from National Treasury, roll-over that were not approved.

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## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The City of Matlosana has embarked on a strategic turn around programme and two workshops were held on 26-27 November 2014 and on 26 January 2015 to address key challenges and to improve its performance.

Strategic priorities that were highlighted during the work sessions include the following:

- Sustainable provision of basic services.
- Excellence and transformation in leadership, management and governance.
- Local economic development.
- Financial sustainability.
- Democratic governance.

The municipality is in a process of an organisational structural review by the Department Local Government and Human Settlements North-West Province. It is envisaged that the review will be completed by 2016. The organisational structure review will ensure that the municipality continues to deliver on its constitutional mandate.

#### Senior Manager Positions

The Minister of CoGTA on 17 January 2014 promulgated the Local Government Regulation on the Appointment and Conditions of Service of employment of Senior Managers, (Government Notice 21 in the Government Gazette no 37245).

The Regulations on Appointment and Conditions of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette no 37245 of 17 January 2014) must be read in conjunction with-

- Any regulations or guidelines issued in terms of section 120 of the Act, concerning matters listed in section 54A, 56, 57A and 72; and
- The Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management Act, as published under Government Notice No. 493 in the Government Gazette No. 29967 of 15 June 2007.

# Chapter 1

## Current Status on Filling of Senior Managers Positions

POST DESIGNATIONS	STATUS
Municipal Manager	Filled
Chief Financial Officer (CFO)	Vacant
Director: Strategic Planning, Monitoring and Control	Filled
Director: Macro City Planning and Development	Filled
Director: Corporate Services	Vacant
Director: Electrical and Mechanical Services	Vacant
Director: Civil Services and Human Settlements	Vacant
Director: Municipal and Environmental Services	Vacant

The filling of vacant senior management positions was stopped during December 2014 due to the City of Matlosana being placed under administration section 139(1) (b) on 19 December 2014.

The 5 vacant senior manager's positions were again advertised in the national newspapers Careers 24 and Rapport Loopbane on 17 May 2015 with the closing date 1 June 2015.

The selection process for the filling of the vacant senior manager positions were concluded on Monday, 22 June 2015. The background screening has commenced and the whole process is scheduled to be completed by 30 September 2015 with the commencement date of new appointees on 1 October 2015.

## **1.6 AUDITOR-GENERAL'S REPORT**

### **AUDITOR-GENERAL'S REPORT: 2013/14**

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor-General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditing.

For the previous financial year (2013/2014) the City of Matlosana received a qualified audit opinion on the financial statements and an unqualified opinion on the reported performance information.

The basis for these opinions is as follows:

- The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion; and
- No material findings on the usefulness and reliability of the reported performance information for the selected development priorities.

A report from the Auditor-General for the financial year under review is contained in chapter 6 of this report.

# Chapter 1

## 1.7 STATUTORY ANNUAL REPORT PROCESS

NO	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year.	
4	Submit draft 2014/15 Annual Report to Internal Audit and Auditor-General.	
5	Municipal entities submit draft annual reports to MM.	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August
8	Mayor tables the unaudited Annual Report.	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General.	
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase.	
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data.	September - October
12	Municipalities receive and start to address the Auditor-General's comments.	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	
14	Audited Annual Report is made public and representation is invited.	
15	Oversight Committee assesses Annual Report.	
16	Council adopts Oversight Report.	December
17	Oversight Report is made public.	
18	Oversight Report is submitted to relevant provincial councils.	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	

### COMMENT ON THE ANNUAL REPORT PROCESS

It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that the municipal manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual report in August of each year, which is consistent with the MFMA.

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One of the advantages of compiling an unaudited annual report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An unaudited annual report submitted in August will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget with other priority areas requiring attention.

The annual report of a municipality must be tabled in the municipal council as soon as possible after year end, namely August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective performance management will also result from this change.

The annual report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and annual report should contain similar and consistent information to facilitate understanding and to enable linkage between plans and actual performance.

The above can only occur if the municipality were to set appropriate key performance indicators and performance targets with regard to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report assist the municipal council with information and progress made on service delivery.

Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees and to reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financially and non-financially related matters.

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## Chapter 2



# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations and mediate their difference.

The political and administrative components of Council maintain a sound working relationship by ensuring respect of procedures and protocols. The City Council as legal entity relates to the other spheres of government and organised local government bodies through Intergovernmental Policy Framework. Communities as an interest group in municipal affairs, participates through public participation mechanisms and processes in the decision making systems of Council.

This includes interaction with stakeholders in shaping the performance of the municipality so as to enhance a healthy relationship and minimise conflict.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of Imbizos, the IDP and budget consultations. This ensures that the community participates in identifying needs and in making inputs on the performance of the municipality. This process ensures healthy relations with the community and minimise conflict.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes and laws by which Council operates and is regulated and controlled.

### 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

The City of Matlosana is made up of 70 Councillors who are deployed in the various council committees, namely:

- Finance and Debt Normalisation.
- Housing, Land Affairs and Rural Development.
- Corporate Services.
- Community and Health Services.
- Sport, Art and Culture.
- Transversal Issues.
- Public Safety.
- Infrastructure.
- Electrical and Mechanical Engineering.
- Economic Growth and Market.




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The City Council of Matlosana has established an Audit Committee by merging the Audit and Performance Audit Committees, a Municipal Public Accounts Committee (MPAC), comprising of non-executive councillors with the purpose of commenting and making recommendations on the annual report and the Auditor-General's Report.

An acting Chief Financial Officer has been appointed for Financial Services which forms part of the Administrator's team.

The Oversight Report of the Municipal Public Accounts Committee was published separately in accordance with the Municipal Finance Management Act, No.56 of 2003; two months after the annual report has been tabled.

The Executive Mayor, Cllr MK Khauoe appointed his Mayoral Committee Members (MMC's) from amongst the elected councillors, who advise him on municipal affairs as well as other councillors to serve in section 80 committees for a specific purpose. However due to Council being under Administration in terms of section 139 (1) (b) of the constitution of the Republic of South Africa, 108 of 1996 as amended, the Executive Mayor has been divested of the Executive Authority.

POLITICAL STRUCTURE		FUNCTIONS
	<b>EXECUTIVE MAYOR</b> Cllr MK Khauoe	The Executive Mayor identifies the needs of the municipality, reviews and evaluates those needs, in order of priority, recommends to the municipal council strategies, programmes and services; to address priority needs through the Integrated Development Plan and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans and recommends and determines the best way to deliver strategies, programmes and services to the maximum benefit of the community. The Executive Mayor also performs a ceremonial role.
	<b>SPEAKER</b> Cllr LM Kortjas	The Speaker presides at meetings of the Council, maintains order during meetings and ensures that meetings are conducted in accordance with the rules of order of the Council.
	<b>SINGLE WHIP</b> Cllr GS Nkebe	The Single Whip is to ensure that councillors are accountable to the community. That the code of conduct is respected and adhered to by all councillors. The Single Whip ensures discipline during meetings of Council and committees. He facilitates political debates and workshops for all councillors.

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## MAYORAL COMMITTEE MEMBERS

	<p>Cllr MMS Lee MMC Finance and Debt Normalisation</p> <p>Cllr GR Kgosi MMC Economic Growth and Market</p>	
	<p>Cllr ME Mthimkulu MMC Sport, Arts &amp; Culture</p> <p>Cllr TI Thobedi MMC Corporate Services</p>	
	<p>Cllr GC Mbobo MMC Public Safety</p> <p>Cllr LM Mothibedi MMC Housing, Land Affairs and Rural Development</p>	
	<p>Cllr ME Kgaile MMC Transversal Issues</p> <p>Cllr RA Matsepe MMC Infrastructure</p>	
	<p>Cllr NS Mendela MMC Electrical and Mechanical Engineering</p> <p>Cllr PR Pooe MMC Community and Health Services</p>	

## COUNCILLORS

Councillors provide a vital link between communities they serve and the City Council. Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality.

In fulfilling this role councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities and support the achievement by the municipality of its objectives set out in section 19 of the Act, the Code of Conduct in schedule 5 of the Municipal Structures Act (117 of 1998) as amended, was established. Councillors serve a term of five years.

The City of Matlosana comprises 35 ward councillors and 35 PR (proportional representation) councillors.

# Chapter 2

Ward Councillors should be fully involved in all community activities in which the ward committee is engaged and communicate the activities and meeting schedules to the PR councillors. PR means “proportional representation”, where voters vote for a political party and not an individual candidate within a party. The party gets the same share of the number of councillors as ballot paper just shows the political parties. The party gets the same share of the number of Councillors as the share of total PR votes it received. The party decides which members are to fill those councillor positions.

A PR councillor is allocated to a ward and provides support to the ward or the ward committee. He or she handles queries and complaints in consultation with the ward councillor, assists in the resolving of disputes and in making referrals, helps with implementation of projects, supports the ward councillors without replacing the ward councillor and attends ward committee meetings, constituency meetings and special meetings.

## **POLITICAL DECISION-MAKING**

As a municipality with a Mayoral Executive system all matters for consideration by Council must be considered by the Mayoral Committee for recommendation to Council.

Matters delegated by Council are finalised at the Mayoral Committee and is submitted to Council for cognisance, while matters excluded from delegation by law or not delegated by Council are submitted via the Mayoral Committee to Council for finalisation.

Council resolutions implemented against the number of decisions taken by Council are 100%.

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## **2.2 ADMINISTRATIVE GOVERNANCE**

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

In terms of part 7 section 82 of the Local Government: Municipal Structures Act 117 of 1998, as amended, the municipality must appoint the Municipal Manager, who is the head of administration and therefore the Accounting Officer. In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended, the Municipal Manager as head of administration is subject to policy directives of the Municipal Council and is responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to local government. In terms of section 50 the Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have relevant and requisite skills, expertise and competencies to perform the duties associated with the posts they each occupy.

The Municipal Manager is also accountable for all the income and expenditure and all assets as well as the discharge of liabilities of the municipality, including proper and diligent compliance with the Municipal Finance Management Act, 53 of 2003. Senior managers or directors who report directly to the Municipal Manager are delegated such functions as the Municipal Manager may delegate to them and are responsible for all those matters delegated to them, including financial management as well as discipline and capacitating of officials within their areas of responsibility, together with compliance with all legislation governing local government, its policies and by-laws.

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The Municipal Manager and directors form the senior management core and all directors are accountable to the Municipal Manager for the strategic management and oversight of their departments. All budget expenditure in each directorate is managed by the relevant director to ensure that service delivery matters are handled speedily.

TOP ADMINISTRATIVE STRUCTURE	FUNCTIONS
<b>MUNICIPAL MANAGER</b> Mr ET Motsemme	As head of administration and accounting officer of the municipality the Municipal Manager is subject to the policy directions of the Municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended and any other relevant duties as may be delegated from time to time to the Municipal Manager by the Executive Mayor and Council. The Municipal Manager is also responsible for duties outlined under sections 60 to 75 of the Municipal Finance Management Act.
<b>ACTING DIRECTOR: CORPORATE SERVICES</b> Ms LM Ramorola	The director is responsible for establishing and maintaining structures, within the parameters of legality and good governance that will provide administration that is appropriately relevant, timeous and effective for the execution of tasks and that will be transparent as well as to provide an environment that is conducive to stimulating public participation within co-operative governance.
<b>ACTING DIRECTOR: FINANCE</b> Mr CHR Boshoff	The director is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, supply chain management, credit control management, investments and banking, treasury management, supply chain management and risk management.
<b>DIRECTOR: STRATEGIC PLANNING, MONITORING AND CONTROL</b> Ms LM Ramorola	The director is responsible for implementing a monitoring and evaluation methodology in line with legislative requirements and for providing leadership and direction in the operation of the performance management system, IDP, risk management, MPAC and internal audit, its monitoring and evaluation, development of the SDBIP, quarterly performance reports and the annual report.
<b>DIRECTOR: MACRO CITY PLANNING AND DEVELOPMENT</b> Mr SG Mabuda	The director is responsible for creating a prosperous city and developing economic strategies that will alleviate poverty and the related socio-economic impacts by stimulating economic growth and development, for operating a fresh produce market that is effective, efficient and economical and which satisfies consumer needs through effective distribution channels, facility provision and operational services.
<b>ACTING DIRECTOR: CIVIL SERVICES &amp; HUMAN SETTLEMENTS</b> Mr MSL Ntlatleng	The director is responsible for providing water, roads, storm-water drainage and sanitation through well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure.

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<b>ACTING DIRECTOR: ELECTRICAL &amp; MECHANICAL ENGINEERING</b> Mr KD Rannona	The director is responsible for providing an electricity supply service in an effective and efficient manner as well as for providing a cost-effective distribution network and a sustainable electricity supply to all consumers. The director is also responsible for fleet maintenance and mechanical works.
<b>ACTING DIRECTOR: MUNICIPAL &amp; ENVIRONMENTAL SERVICES</b> Mr SG Mabuda	The director is responsible for two divisions of Council namely: Community Services and Public Safety. The Community Services division incorporates the functions of Refuse Removal and Cleansing, Parks and Cemeteries, Libraries, Museum and Sport, Arts and Culture. The Public Safety division incorporates the functions of Law Enforcement and Security, Fire & Rescue Services and Licensing and Registration Service. The director therefore oversees the development and maintenance of a clean and green city. The development and maintenance of cultural heritage and the rendering of a uniform cleansing service to all residents. Ensures effective traffic flow and road safety, minimising the risk of fire and disaster incidents and the provision of motor vehicle licensing, registration and testing to residents.

The third tier of posts / positions can be seen in **Appendix C**.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Promoting Intergovernmental Relations (IGR) helps to make everyone aware that there is one seamless government working together to serve the people. It builds teamwork within the various spheres of government and between government and its agencies as well as other partners in development.

Intergovernmental Relations activities include:

- Planning and budgeting
- Consultations and meetings as well as information sharing sessions
- Dispute resolutions
- Reporting
- Monitoring and evaluation

Service delivery is the core function of the municipality. Co-operative governance is an arrangement entered into by the spheres of government to fast-track service delivery within the constitutional mandate.

Forums have been established to share best practices among municipalities and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to check and report on service delivery.

Examples of such forums are:

- Municipal Manager's Forum
- Mayor's Forum
- Chief Financial Officer's Forum

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The City of Matlosana is a member of and does participate in these forums, including SALGA (South African Local Government Association), both at provincial and national level.

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The City of Matlosana participates in IGR on:

#### ➤ Distressed mining towns

The City of Matlosana is among the eight municipalities chosen to benefit from the special Presidential Package established to help fast track programmes in mining towns. Our area is the second in line where national is encouraging the Mining houses to intervene in addressing the socio-economic and housing challenges. The co-co-ordinator is the department of Mineral and Energy with the National department of Human Settlement and the affected municipality as participants.

In the previous financial year we reported that the City of Matlosana, led by the Executive Mayor, the Speaker of Council, the Municipal Manager and the Director Macro City Planning and Development formed part of the delegation, under the leadership of the Deputy Minister of the department of Mineral Resources, that visited the Republic of China. The purpose of the visit was to attend the China International Gold Conference where the twinning of Zhaojin City and a gold mining city in South Africa was discussed. Matlosana was identified and to date we are still waiting for the way forward from the honourable Deputy Minister. The twinning will obviously come with the economic boom and job opportunity for our communities.

#### ➤ Neighbourhood Development Programme:

The municipality is the beneficiary of this programme through the Urban Network Strategy. The NDP is a project co-ordinated by the National Treasury.

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The City of Matlosana is a participant in NWDEDT (North-West Department of Economic Development and Tourism) forum.

The City of Matlosana is also chairing the Treasure Route Association, which consists of all municipalities along the N12 Treasure Route, on the promotion of the N12. The route starts from Emalahleni in Mpumalanga and extends to George in the Western Cape. The city also participates in North-West Planning Commission. The commission assists municipalities in aligning their development programmes with the National Planning Commission's priorities.

### RELATIONSHIPS WITH MUNICIPAL ENTITIES

Currently the City of Matlosana does not make use of any service provider (s), who render municipal services on our behalf and as such no performance can be reported.

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## DISTRICT INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District Municipality established various IGR structures such as:

- District Economic Development Forum.
- Mining Forum.
- Rural Economic Development Forum.
- District IDP Forum.

These forums meet quarterly to discuss planning in consultation with one another so as to solicit financial assistance from the district municipality in funding projects of mutual benefit to municipalities within the district.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipal Public Accounts Committee (MPAC) conduct public discussion as an oversight mechanism through which officials are called before the committee to give testimony on the key issues which are specific problem areas.

Public involvement and media coverage plays a key role where MPAC hold enquiries in a manner which allows public participation on the Annual Report. Submissions are also welcomed from the public and participants use this opportunity to get clarity and comments from responsible role players under the MFMA.

It is in view of the above that the Oversight Report is thus clearly distinguished from the Annual Report, which supplies its community with information concerning municipal governance, management and development.

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## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

The City of Matlosana values the participation of its community in governance. To this end, the municipality has established ward committees in all 35 wards. Ward committees provide an important vehicle for the municipality to consult with its communities.

In addition to ward committees, the municipality has initiated other mechanisms of deepening and broadening public participation. These include the compilation of a database of all relevant community and stakeholder organisations, informing communities and stakeholders of the municipality's intention to embark on the integrated development planning process as well as media and awareness campaigns, such as:

- Dikgang tsa Matlosana newspaper.
- Advertisements in local newspapers.
- Notices at prominent locations e.g. pay points.
- Direct mail e.g. leaflets with service bills

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- Ward meetings through ward councillors.
- Distribution of pamphlets and posters to ward committees.
- Radio announcements / newspaper advertisements.

The residents are also engaged through their participation in sectoral and other forums. The municipality's public participation programme is occasionally reinforced by the national and provincial Imbizos and outreach programmes.

As one of its priority areas, the municipality recognises the importance of the previously marginalised sectors, including youth, women, children, aged and people with disabilities. We have established dedicated offices for all of these sectors and have adopted policies to regulate their day-to-day activities. One of the key challenges facing the municipality with regard to sector development is the integration of sector activities with the municipal planning systems.

Section 16 of the MSA, as amended prescribes that *"A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance and must for this purpose ..."*

One of the main features of the integrated development planning is the involvement of community and stakeholder organisations in the process of developing the IDP. Participation of affected and interested parties is very important to ensure that the IDP addresses the real issues that are experienced by the community.

For purposes of compliance with this legislative requirement, the City of Matlosana has established formal structures for effective participation in the IDP processes. Following is a description of the participatory function of each of the various structures established for the IDP process:

IDP / PMS Representative Forum – constituted of formal representatives of various civic and community organisations as well as other formal structures affected by the development efforts of the municipality.

The role of the IDP Forum is to:

- Verify and make additions to data collected through non-formal participatory methods;
- inform interest groups, communities and organisations of relevant planning activities and their outcomes;
- analyse issues, determine priorities, negotiate and reach consensus;
- participate in the designing of project proposals and / or in assessing of projects;
- discuss and comment on the draft IDP;
- ensure that annual business plans and budgets are based on and linked to the IDP; and
- monitor performance in implementation of the IDP.

Time arrangements will be made to schedule the workshops at times that will suit the majority of the participants. Representatives will be encouraged to report back to their organisations after every session. The effectiveness of these report-backs will be assessed by feedback from these organisations. A period of 2 weeks will be allowed for feedback. Many of the issues raised by citizens are not of a long-term or strategic nature and would be addressed more specifically in the Service Delivery Budget Implementation Plans (SDBIP's) of specific functional units of the municipality.

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In addition to the formal process of representation through the IDP Representative Forum engagement and other council processes, the City of Matlosana consults its communities on an ongoing basis to solicit inputs in as far as the development challenges they face are concerned. To do this in an effective, efficient and structured manner, the City of Matlosana has institutionalised a process of community engagement through the Mayoral Imbizos and outreaches. These are community meetings held at the ward level where direct participation by communities is encouraged. To complement this process, ward level planning where planning methods are used to gather data are utilised.

Through the implementation of government's Expanded Public Works Programme (EPWP) and other infrastructure development programmes, the municipality will prioritise job creation and skills development for youth and women.

## WARD COMMITTEES

The main objective of a ward committee is to enhance participatory democracy in local government. Ward committees are one way in which one can have a say in government decisions. The key purpose of ward committees is to increase the participation of local residents in municipal decision-making as they are the direct link with the relevant council, they are representative of the local ward and they should be involved in matters such as the integrated development plan, the annual municipal budget, council projects and key policies as all these things impact on local people. See **Appendix E**.

Ward committees can identify and initiate projects to improve the lives of the people in the ward. They can support the councillor in dispute resolutions, providing information about municipal operations. They can monitor the performance of the municipality and raise issues of concern to the local ward and they can assist with community awareness campaigns on issues such as solid waste, water and sanitation, payment of fees and charges as members know their local communities and what Council needs.

No policy in terms of section 72 – 78 of the Local Government: Municipal Structures Act, No 117 of 1998 has been accepted on ward committees.

## PUBLIC MEETINGS

TOWN	DATE	TIME	VENUE
<b>IDP IMBIZO'S</b>			
Khuma	28/10/14	17h00	Khuma Hall
Stilfontein	23/10/14	17h00	Stilfontein People's Hall
Kanana	02/11/14	14h00	Kanana Mokati Hall
Orkney	30/10/14	17h00	Library Hall
Jouberton	26/10/14	14h00	Jouberton ext 12 Sport Field
Klerksdorp	04/11/14	17h00	Ball Room Hall
Randlespark	21/10/14	17h00	Randlespark Hall
Alabama	22/10/14	17h00	Alabama Hall
Tigane	19/10/14	14h00	Tigane Hall
<b>BUDGET CONSULTATIONS</b>			
Klerksdorp	06/05/15	17h00	Auditorium

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Hartbeesfontein	07/05/15	17h00	Town Hall
Khuma	28/04/15	16h00	Khuma Hall
Jouberton	05/05/15	16h00	Jouberton Hall
Alabama	04/05/15	16h00	Alabama Hall
Kanana	29/04/15	16h00	Kanana Hall
Tigane	04/05/15	16h00	Tigane Hall
Stilfontein	28/04/15	17h00	People's Hall
Orkney	29/04/15	17h00	Library
<b>IDP REPRESENTATIVE FORUM MEETING</b>			
Representative Forum Meeting	28 November 2014	10:00	Council Chamber
Representative Forum Meeting	24 April 2015	10:00	Council Chamber

## COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The City of Matlosana established ward committees in all the 35 wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner. The Ward Mass Meetings held as well as Imbizos also provide a platform for effective interaction and accountability for Council and the community.

Council benefits positively from the above systems in that consultation is done with the broader community of Matlosana on matters of service delivery.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 54A and 56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of the Local Government: Municipal Systems Act 2000, as amended	

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the

# Chapter 2

community and within the rules, processes and laws by which the municipality operates and is regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**.

## 2.6 RISK MANAGEMENT

The City of Matlosana has adopted the Public Sector Risk Management Framework as its risk management standard. The Municipality has a risk management policy and in line therewith reviews the risk register quarterly and develops a risk management strategy to direct the institution's risk management priorities. Line management are responsible for identifying, evaluating and managing both risks and opportunities in their responsibility areas, with technical and operational support provided by the institution's risk management unit. The risk management unit also maintains the consolidated institutional risk register and reports thereon to the Risk Committee which ultimately reports to the Audit Committee. The Risk Management Committee provides governance oversight over the entire system of risk management and furnishes the Accounting Officer and the Audit Committee with reports of its findings and recommendations. The Audit Committee provides independent oversight over the system of risk management.

### Risk Management Committee

The City of Matlosana has established a Risk Management Committee in January 2015 to assist the Accounting Officer and the Audit Committee in executing their respective responsibilities concerned with risk management. The committee operates under a charter approved by the Audit Committee. The committee comprises external person and selected members of City of Matlosana senior management. As per approved charter, the committee should meet four times per annum. The committee meetings during the financial year under review were attended as follows:

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
Ms L Mosoetsoa(Chairperson)	External Member*	2	2
Mr MSL Ntlatleng	Director Civil Services	2	1
Ms LM Ramorola	Director SPMC	2	1
Ms MJ Masilo	Acting Director Municipal Services	2	2
Mr KD Rannona	Acting Director Electrical Services	2	1

\* An external member is a person that is not employed by the City of Matlosana.

## 2.7 ANTI-CORRUPTION AND FRAUD

The City of Matlosana has entrusted the Risk Management Unit with the responsibility of combating fraud and corruption in the municipality. The strategy to prevent fraud, corruption and theft has been developed and approved by council together with other policies related to risk management.

# Chapter 2

The strategy clearly outlines the fundamental arrears that each department ought to be vigilant of to ensure that the risk of fraud and corruption is minimised. The policies and strategies were populated and discussed with all employees of council and councillors.

A specialised forensic audit team was appointed in the year under review to investigate all the allegations of financial misconduct. The assignment has not been concluded and council is still awaiting results in this regard.

During the 2014/15 financial year, cases of corrupt officials and sanctions were issued as consequence management. The municipality has also been placed under administration section 139 (1) (b) to ensure improvement in accountability and financial management. This is a further indication that the municipality is moving towards being a city of zero tolerance to fraud and corruption.

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## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply Chain Management aims to support the strategic decision-making of the municipality, thereby ensuring effective and efficient service delivery to its internal and external clients and it also aims to ensure that purchasing and procurement of goods and services are done according to prescribed legislation and the City of Matlosana's Supply Chain Management Policy.

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## 2.9 BY-LAWS

### BY-LAWS INTRODUCED DURING 2014/15

No new developed by-laws or revised by-laws were published during the 2014/15 year.

### COMMENT ON BY-LAWS

Public participation with regard to a new or amended by-law is dealt with in accordance with section 12(3) (b) of the Local Government: Municipal Systems Act 32 of 2000, as amended and are to be published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

A by-law takes effect when published, or at a future date determined in or in terms of the by-law when published promptly in the Provincial Gazette and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community, in terms of section 13 of the Local Government: Municipal Systems Act 32 of 2000, as amended.

The following list indicates all Council's By-laws with date of promulgation:

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BY-LAWS OF THE CITY OF MATLOSANA			
By-Law	Provincial Gazette Number	Council Resolution (Adopted)	Status
<b>Directorate</b>	<b>Civil Services and Human Settlements</b>		
Building & Outdoor Advertising By-Laws	5957, notice 396	CC 56/2003 dated 30 September 2003	Finalised
Drainage and Plumbing By-Laws	5957, notice 396	CC 56/2003 dated 30 September 2003	Finalised
Water Supply By-Laws	5957, notice 396	CC 56/2003 dated 30 September 2003	Finalised
<b>Directorate</b>	<b>Electrical and Mechanical Engineering</b>		
Electricity By-law	5957, notice 399	CC 56/2003 dated 30 September 2003	Finalised
<b>Directorate</b>	<b>Corporate Services</b>		
Bursary By-Laws	5957, notice 400	CC 56/2003 dated 30 September 2003	Finalised
Rules of Order	6331, notice 315	CC102/2006 dated 25 July 2006	Finalised
<b>Directorate</b>	<b>Municipal and Environmental Services</b>		
<b>Community Services</b>			
Cemetery By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Faan Meintjes Nature Reserve By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Livestock Market By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
PC Pelsers Airport: Control and Management By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Parks and Gardens By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Public Amenities By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Solid Waste and Sanitary By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Library By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised
Waste management by-laws	7160, 30/8/2013	CC30/2013 dated 26 March 2013.	Finalised
<b>Public Safety</b>			
Fire Services By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
Licensing of Public Vehicles By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
Parking Ground By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised

# Chapter 2

Parking Meter By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
By-Laws relating to dogs	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
Street and Miscellaneous By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
Traffic By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
Regulating, Control and Supervision of Hawkers By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised
<b>Health Services</b>			
Keeping of Animals, Birds and Poultry and businesses involved in the keeping of Animals, Birds, Poultry and Pets By-Laws	5957, Notice 402	CC 56/2003 dated 30 September 2003	Finalised
Public Health By-Laws	5957, Notice 402	CC 56/2003 dated 30 September 2003	Finalised
Milk By-Laws	5957, Notice 402	CC 56/2003 dated 30 September 2003	Finalised
<b>Directorate Financial Services</b>			
Customer Care, Credit Control & Debt collection By-Law	7021, 3/8/2012	CC67/2012 dated 31 July 2012	Finalised
Rates By-Law	7028, 22/8/2012	CC57/2012 dated 26 June 2012	Finalised
Tariff By-Law	7021, 3/8/2012	CC67/2012 dated 31 July 2012	Finalised
<b>Directorate Macro City Planning and Development</b>			
<b>Local Economic Development</b>			
Preferential Procurement by-law	5957, notice 403	CC 56/2003 dated 30 September 2003	Finalised
<b>Fresh Produce Market</b>			
Fresh Produce Market By-Law	5957, notice 397	CC 56/2003 dated 30 September 2003	Finalised

## 2.10 WEBSITES

<b>MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL</b>		
<b>Documents published on the Municipality's website</b>	<b>Yes / No</b>	<b>Publishing Date</b>
Current annual and adjustments budgets and all budget-related documents	Yes	17 Jun 2015
All current budget-related policies	Yes	01 July 2015
The previous annual report (2013/14)	Yes	11 Jun 2015
The annual report (2014/15) to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2014/15) and resulting scorecards	Yes	01 July 2015

# Chapter 2

All service delivery agreements (2014/15)	No	
All long-term borrowing contracts (2014/15)	No	
All supply chain management contracts above a prescribed value (give value) for 2014/15	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2015/16	Yes	11 Jun 2015
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2014/15	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2014/15	Yes	06 August 2015

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

After conducting a survey regarding a new domain for the City of Matlosana, a decision was taken to apply for a domain named - '[matlosana.gov.za](http://matlosana.gov.za)'.

The City of Matlosana has migrated from the previous website to the new website named – '[www.matlosana.gov.za](http://www.matlosana.gov.za)' on a new platform as from 22 June 2015. The new platform is utilising the latest web publishing technology.

The relevant stakeholders were engaged regarding the publishing of the legislative documents on the new website. An agreement was reached on the layout and presentation of the legislative documents on the website. To request the publishing of legislative documents and any other information on the website a new website content request form has been implemented.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

In order to give effect to the provisions of the Local Government: Municipal System Act, Act 32 of 2000 as amended, chapter 6 section 42 and chapter 8 section 73(2)(e), every department has been issued with questionnaires for the public to evaluate and comment on the service rendered by the municipality. The questionnaires will assist in improving and identifying areas which need to be improved and will also provide new ideas in order to improve performance by various municipal departments.

No surveys were conducted during 2014/15.

The municipality is receiving funding from Municipal Infrastructure Grant. This grant is mainly focused on the previous disadvantage areas and our community is appreciating the effort that the municipality is making in improving their lives by giving them the necessary infrastructure.

It should be noted that the funds is not enough due to the backlog that we have within the municipality.

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## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

Service delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the City of Matlosana, certain issues are set out to be achieved during the financial year.

### DEFINITION OF A HOUSEHOLD / HOUSING UNIT

Household: A *household* consists of a person, or a group of persons, who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling but who do not share food or other essentials were counted as separate households during the 2011 census. For example, people who shared a dwelling but who bought food and ate separately were counted as separate households.

Visitors, both foreign and South African as well as boarders who stayed with a household on census night, 9 October 2011, were counted as part of that household. People who were absent on census night but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre and so on) and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live-in employees were regarded as separate households (Statistics South Africa, Census 2011).

Housing Unit: A *housing unit* is a unit of accommodation for a household, which may consist of one structure or more than one structure, or may be part of a structure. Examples of each are a house, a group of rondavels and a flat. In informal areas and overcrowded conditions a housing unit may house more than one household.

The types of living quarters classified as housing units are as follows: -

- House or brick structure on a separate stand or yard;
- traditional dwelling / hut / structure made of traditional materials;
- flat in block of flats;
- town / cluster / semi-detached house (simplex, duplex, triplex);
- house / flat / room in back yard;
- informal dwelling / shack in back yard or not in back yard, e.g. in an informal / squatter settlement;
- room / flat that is let, not in a back yard but on a shared property;
- caravan or tent; and
- private ship / boat.

(Statistics South Africa, Census 2011)

### DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land to which they have no legal claim. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings. Informal settlements are also referred to as squatter settlements, slums or shanty towns (Statistics South Africa, Census 2011).

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## COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management and housing services and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

All the projects, except for “*Open of New Solid Waste Cell*” on the existing Landfill Site in Klerksdorp and the “N12 Pedestrian Bridge”, are multi-year projects which started in 2013/14, but were only completed in the 2014/15 financial year.

Major priorities, as indicated by our communities during the 2013/14 IDP consultation processes, are maintenance and upgrading of infrastructure projects, roads and storm-water drainage and recreational facilities for all communities.

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

One of the major goals of the South African Government is to ensure access to safe and reliable water services to all the communities. Notwithstanding the best possible raw water sources, adequate treatment infrastructure and optimal treatment process can achieve safe and reliable drinking water services to consumers and unexpected incidents can disrupt water supplies. Natural disasters such as floods and manmade incidents can significantly disrupt and impact on the quality of water services thus posing a significant health risk to consumers.

The Water Services Act, Act 108 of 1997, section 5(4) states that in emergency situations, a Water Service Authority (WSA) must take reasonable steps to provide basic water supply to any person within its area of jurisdiction and may do so at the cost of the authority.

To contribute to the enhanced quality of life and prosperity of all the people in City of Matlosana by providing affordable, efficient and cost-effective water service through a well-established and maintained infrastructure.

#### Overview

Water distribution involves the bulk purchase of water and its distribution by the Water Section.

#### Description of the Activity

- Creating of new infrastructure from distribution of the water to the consumer.
- Purchase and storage of water in bulk.
- Distribute the water through a water network that includes pump-stations, pipes, and water-meters.
- Test and replacement of water-meters.
- Water quality testing and treatment.
- Ongoing assistance to ensure that new developments are expedited and water infrastructure is installed in accordance with standards and specification.
- Analysis of all aspects of the existing water-supply system to pro-actively identify worn-out infrastructure, problems and bottlenecks.

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- Continuous management and control to ensure the optimum availability of the water supply infrastructure.

## The strategic objectives

- Render sustainable bulk water service by supplying adequate water of the good quality on a continuous basis and at an affordable cost to the customers.
- Provide, operate and maintain the water distribution system to meet the needs of all customers and reduce water losses.

## Challenges

- Delays in filling of vacant posts.
- Lack of a comprehensive Master Plan.
- Delays in the procurement of services and materials.
- Inadequate budgeting

All the above contribute to the following:

- Excessive overtime.
- Increased turnaround time on maintenance operations.
- Increase in water losses.
- Failure to adequately plan and budget for new infrastructure

## Key issues

- Further introduce water management measures to reduce water losses
- Provide water networks with water-meters to un-serviced households

TOTAL USE OF WATER BY SECTOR (KILO LITRE)					
Year	Commercial	Other	Industrial	Domestic	Unaccountable Water Losses
2011/12	2 700 077	913 293	142 921	15 566 012	4 996 501
2012/13	616 153	2 464 611	10 782 674	9 242 292	7 239 795
2013/14	1 688 829	807 534	89 594	16 236 894	7 174 000
2014/15	109 150	91 200	2 893 119	15 489 600	12 348 401*

\* The figure includes council's own water usage that is not metered yet but council is currently in process on installing bulk water meters to all municipal buildings and parks.

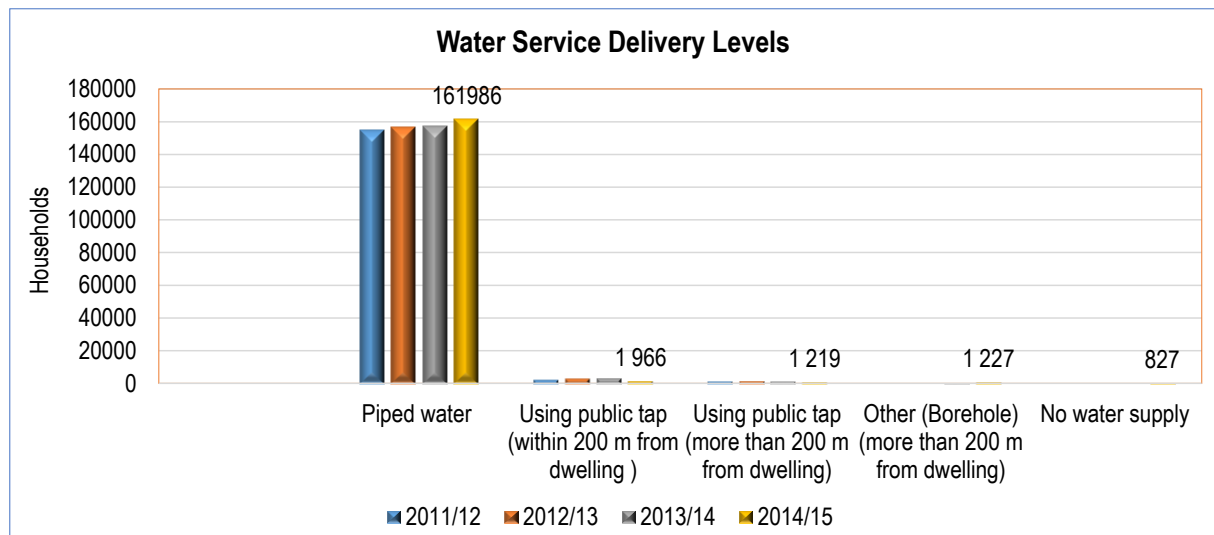
## COMMENT ON WATER USE BY SECTOR

Plans are in place to ensure that sufficient capacity is available for the increased demand arising from the growing townships of Alabama. The supply capacity of Kanana has also been increased with the completion of the bulk water mains project.

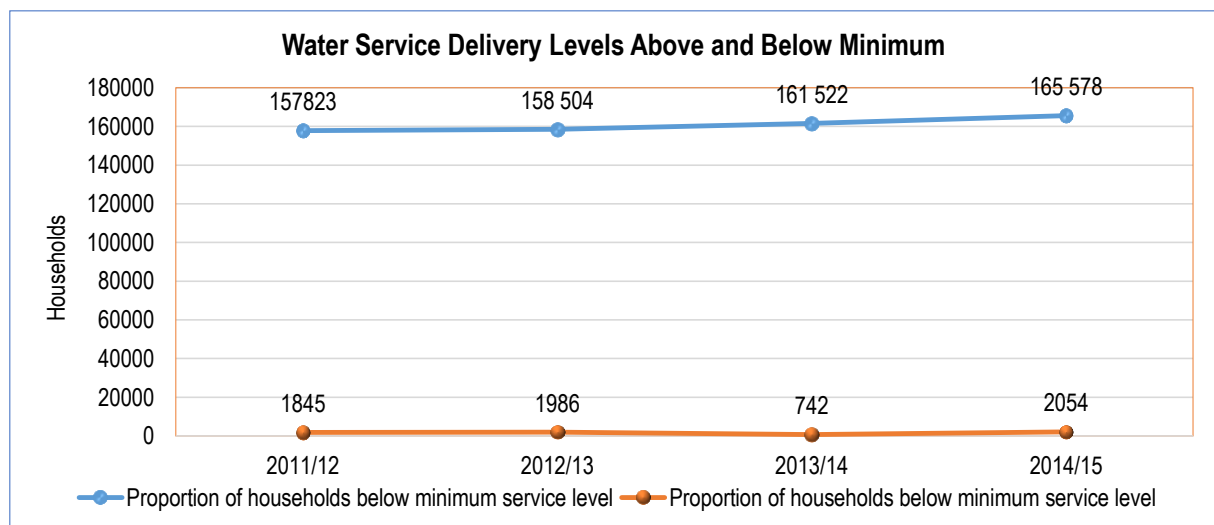
Council are currently in process with the following two multi-year projects:

- Upgrading of Water Mains in Kanana – R15 196 616
- Alabama Bulk Water Supply (Phase 3) – R15 000 000

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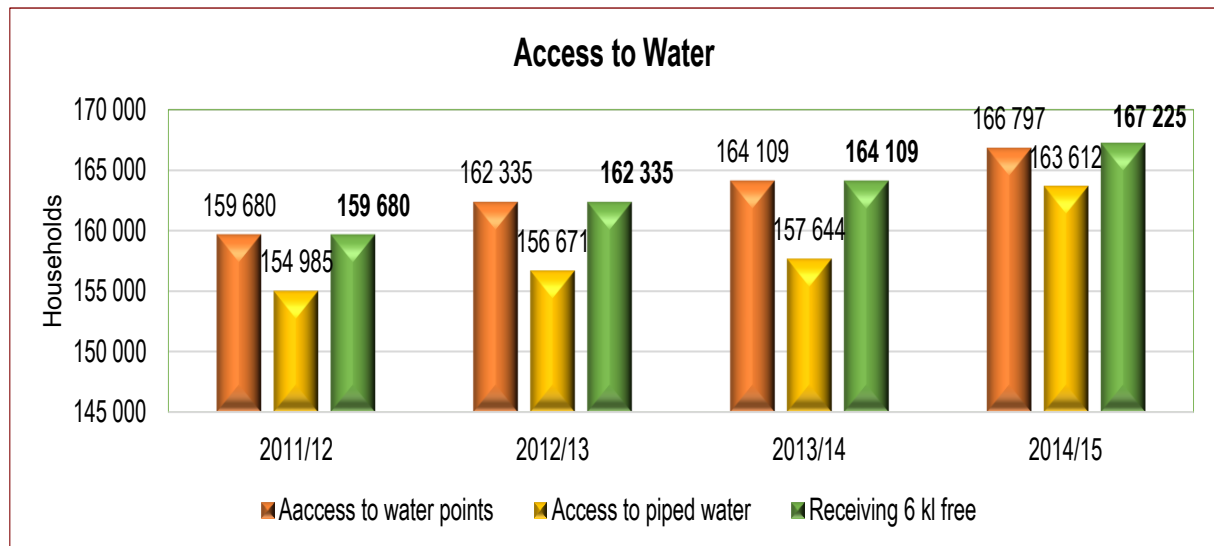
WATER SERVICE DELIVERY LEVELS				
Description	2011/12	2012/13	2013/14	Households 2014/15
	Actual	Actual	Actual	Actual
<b><u>Water: (above min level)</u></b>				
Piped water	154 985	156 671	157 644	161 986
Using public tap (within 200 m from dwelling )	2 850	3 678	3 878	1 966
<i>Minimum service level and above – subtotal</i>	157 835	160 349	161 522	163 952
<i>Minimum service level and above – percentage</i>	99. 00%	99. 00%	98. 42%	98. 04%
<b><u>Water: (minimum and below minimum level)</u></b>				
Using public tap (more than 200 m from dwelling)	1 845	1 986	1 845	1 219
Other (Borehole) (more than 200 m from dwelling)	0	0	742	1 227
No water supply	0	0	0	827
<i>Below minimum service level – subtotal</i>	1 845	1 986	2 587	2 054
<i>Below minimum service level – percentage</i>	1. 00%	1. 00%	1. 58%	1. 23%
<b>TOTAL HOUSEHOLDS*</b>	<b>159 680</b>	<b>162 335</b>	<b>164 109</b>	<b>167 225</b>



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WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Description	2012/13	2013/14	2014/15		
	Actual	Actual	Original	Adjusted	Actual
<b>Formal Settlements</b>					
Total households	158 504	161 522	161 522	161 522	165 578
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%
<b>Informal Settlements</b>					
Total households	3 831	2 587	3 329	3 329	3 613
Households below minimum service level	1 986	742	1 645	2 100	2 054
Proportion of households below minimum service level	52%	29. 00%	49. 41%	63. 08%	56. 85%

ACCESS TO WATER			
Year	Proportion of households with access to water points	Proportion of households with access to piped water	Proportion of households receiving 6 kl free
2011/12	159 680	154 985	159 680
2012/13	162 335	156 671	162 335
2013/14	164 109	157 644	164 109
2014/15	166 797	163 612	167 225



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## EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	7	6	1	14%
10 - 12	13	16	12	4	25%
13 - 15	0	0	0	0	0%
16 - 18	25	36	25	11	31%
19 - 20	60	62	58	4	6%
<b>Total</b>	<b>108</b>	<b>125</b>	<b>105</b>	<b>20</b>	<b>16%</b>

FINANCIAL PERFORMANCE 2014/15: WATER SERVICES					
Details	R'000				
	2013/14	2014/15			
	Actual	Original Budget	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	449 090	573 654	609 185	438 851	0.03
<b>Expenditure</b>					
Employees	22 317	20 545	21 597	22 946	0.08
Repairs and maintenance	11 709	23 173	21 301	12 294	-0.09
Other	388 560	317 694	340 126	370 533	-0.01
<b>Total Operational Expenditure</b>	<b>422 586</b>	<b>361 412</b>	<b>383 024</b>	<b>405 773</b>	<b>-0.02</b>
<b>Net Operational Expenditure</b>	<b>26 504</b>	<b>212 242</b>	<b>226 161</b>	<b>33 078</b>	<b>0.05</b>

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**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 144 - 145**

WATER SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Target
				Original	Adjusted	Actual	
To improve bulk water supply in Alabama / Manzilpark (Phase 3) to ensure a basic water service	Installation of a bulk water network for Alabama / Manzilpark (Phase 3)	New project	Construction tender documents completed R216 993	Installation of a bulk water network for Alabama / Manzilpark (Phase 3) at a cost of R15 000 000 by June 2015	Installation of a bulk water network for Alabama / Manzilpark (Phase 3) at a cost of R15 000 000 by June 2015	1.5 km bulk pipeline has been achieved. Project 65% completed. R6 828 340	R9 500 & R17 378 850
To upgrade the water mains in Kanana to improve the supply capacity	Supplying water from Midvaal end point in Orkney and the installing bulk line services to Kanana reservior	New project	Construction 65% completed (Bud welding completed) R8 733 475	Supplying water from Midvaal end point in Orkney and installing bulk line services (5.5km) to Kanana reservior at a cost of R15 196 615 by June 2015	-	5.5 Km pipeline constructed. Project completed. R13 526 187	R3 246 734
To replace bulk/zonal water meters to ensure accurate meter reading	Number of bulk/zonal water meters replaced in the KOSH area	4 Bulk meters replaced R130 171	Not achieved due to MIG late approval R 0	Replacing a minimum of 110 bulk/zonal water meters greater than 50mm in the KOSH area at a cost of R576 965 by June 2015	-	84 Bulk water-meters have been installed. R361 200	-

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## COMMENTS ON THE PERFORMANCE OF WATER SERVICES OVERALL

### NATIONAL KEY PERFORMANCE INDICATOR

See pages 197 - 198 for details.

## 3.2 WASTE WATER (SANITATION) PROVISION

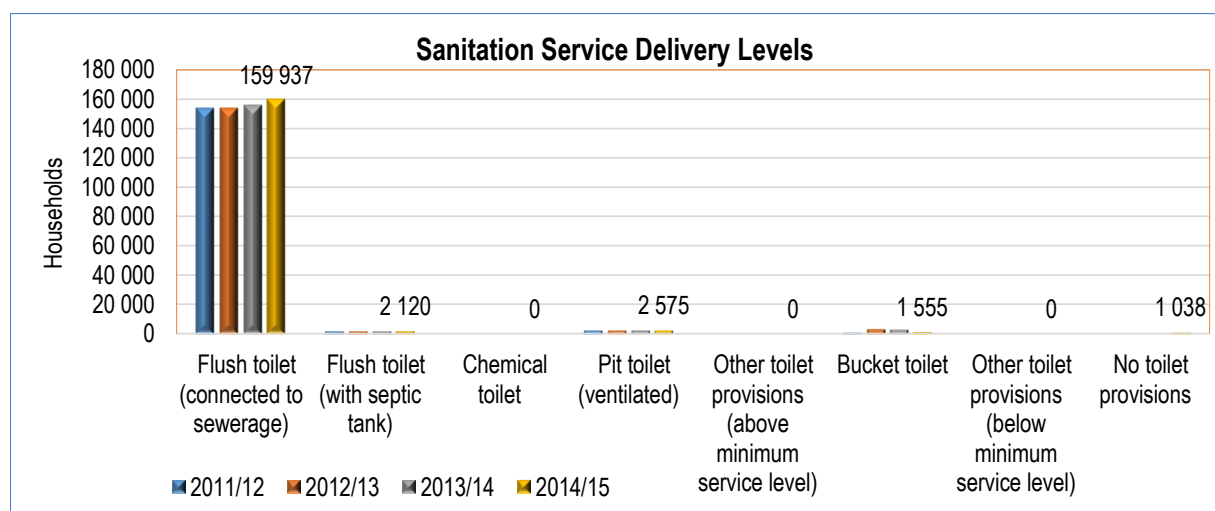
### INTRODUCTION TO SANITATION PROVISION

The main objectives of the Sanitation section is to

- provide sanitation services to all the households in the Matlosana area and enforce the relevant By-laws to the residents and the industries;
- maintain a sewer system network and to plan for a new sewer system service on new developments and settlements in the area;
- ensure a clean and a compliant sewage effluent from all the four (4) waste water treatment plants in the Matlosana area, therefore curbing the outbreak of waterborne diseases such as Cholera, Typhoid etc;
- ensure a proper housekeeping and maintenance of all the sewage pump stations in the jurisdiction of the municipality;
- fill the vacant and budgeted for posts to ensure sufficient teams for the maintenance of sewer networks and the proper day-to-day running of the four (4) waste water treatment plants and twenty-three (23) sewage pump-stations, thus rendering effective service delivery to the community of the Matlosana area (including its townships); and
- complete the upgrading of outfall sewer Jouberton ext 7, 19 and 24 within a contracted period by the service provider. All our process controllers are also responsible to send their teams out for the inspection of the sewage pump-station to ensure that there is no sewage pollution due to breakdowns.

### OBJECTIVE

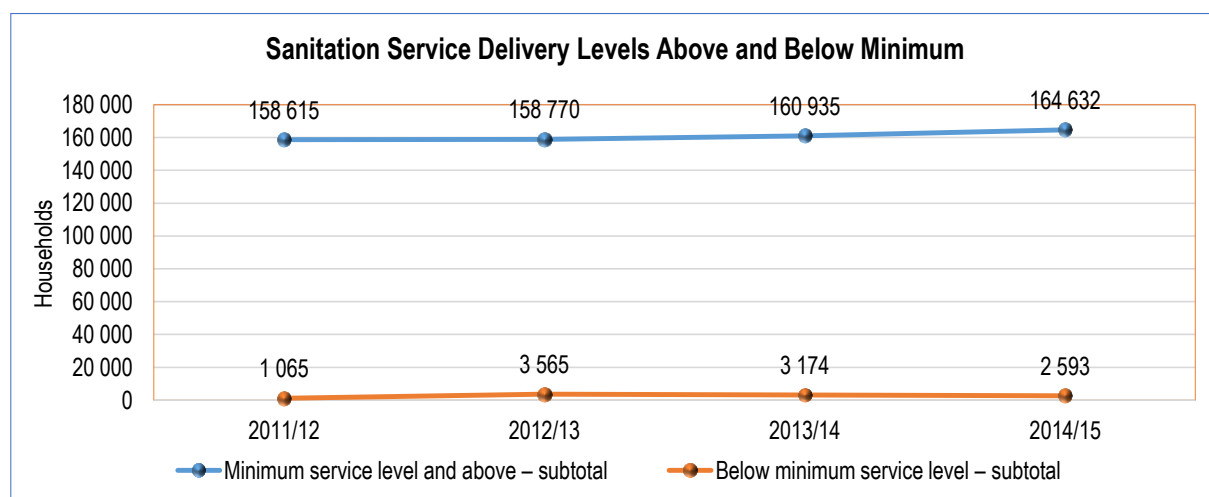
To be the best municipality in the North-West in terms of Green Drop status achievement which is awarded by National Department of Water and Sanitation.



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SANITATION SERVICE DELIVERY LEVELS				
Description	2011/12	2012/13	2013/14	Households 2014/15
	Actual	Actual	Actual	Actual
<b>Sanitation/Sewerage: (above minimum level)</b>				
Flush toilet (connected to sewerage)	153 920	154 075	156 240	159 937
Flush toilet (with septic tank)	2 120	2 120	2 120	2 120
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	2 575	2 575	2 575	2 575
Other toilet provisions (above minimum service level)	0	0	0	0
Minimum service level and above – subtotal	158 615	158 770	160 935	164 632
Minimum service level and above – percentage	99. 3%	97. 8%	98. 1%	98. 45%
<b>Sanitation/Sewerage: (below minimum level)</b>				
Bucket toilet	1 065	3 565	3 174	1 555
Other toilet provisions (below minimum service level)	0	0	0	0
No toilet provisions	0	0	0	1 038
Below minimum service level – subtotal	1 065	3 565	3 174	2 593
Below minimum service level – percentage	0. 7%	2. 2%	1. 9%	1. 55%
<b>TOTAL HOUSEHOLDS*</b>	<b>159 680</b>	<b>162 335</b>	<b>164 109</b>	<b>167 225</b>

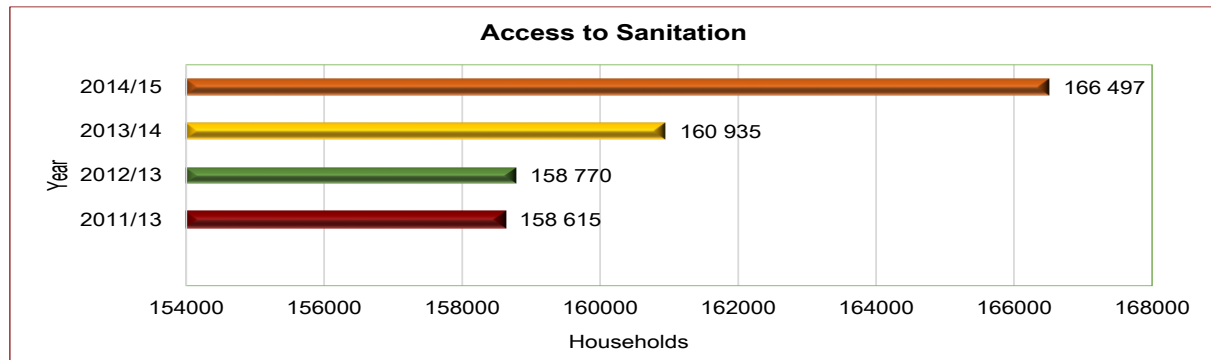
\* - Total include informal settlements



SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Description	2012/13	2013/14	Households 2014/15		
	Actual	Actual	Original	Adjusted	Actual
<b>Formal Settlements</b>					
Total households	159 760	161 534	161 534	161 534	163 612
Households below minimum service level	3 565	3 174	3 174	3 174	80
Proportion of households below minimum service level	2%	2%	2%	2%	0. 05%
<b>Informal Settlements</b>					
Total households	2 575	2 575	2 575	2 575	3 613
Households below minimum service level	2 575	2 575	2 575	2 575	3 533
Proportion of households below minimum service level	100%	100%	100%	100%	97. 79%

# Chapter 3

ACCESS TO SANITATION	
Year	Proportion of households with access to sanitation
2011/12	158 615
2012/13	158 770
2013/14	160 935
2014/15	166 497



## EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	6	7	6	1	14%
10 - 12	19	21	19	2	10%
13 - 15	7	7	7	0	0%
16 - 18	42	46	42	4	9%
19 - 20	83	85	78	7	8%
<b>Total</b>	<b>160</b>	<b>170</b>	<b>155</b>	<b>15</b>	<b>9%</b>

FINANCIAL PERFORMANCE 2014/15: SANITATION SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>119 117</b>	<b>84 278</b>	<b>141 026</b>	<b>102 380</b>	<b>18%</b>
<b>Expenditure</b>					
Employees	28 872	28 645	28 692	30 754	7%
Repairs and maintenance	4 229	7 058	7 796	12 836	45%
Other	71 205	66 282	103 254	72 898	9%
<b>Total Operational Expenditure</b>	<b>104 306</b>	<b>101 985</b>	<b>139 742</b>	<b>116 488</b>	<b>12%</b>
<b>Net Operational Expenditure</b>	<b>14 811</b>	<b>-17 707</b>	<b>1 284</b>	<b>-14 108</b>	<b>-26%</b>

# Chapter 3

**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 145 - 146)**

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Target
				Original	Adjusted	Actual	
To upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure	Number of km sewer network upgraded	New project	Revised preliminary design report as requested by Human Settlements R333 553	Designing of the upgrading of 3.5 km sewer network in Khuma Proper (North East) at a cost of R4 156 974 by December 2014	R2 098 933	Designing of the construction of sewer network completed R1 507 588	R1 585 & R17 232 487
To upgrade the outfall sewer line in Jouberton Ext 7,19 & 24 (West) to maintain the current infrastructure	Km outfall sewer line in Jouberton Ext 7,19 & 24 (West) upgraded	New project	Excavation works done. Installation of manholes 40% completed R6 467 365	Upgrading 5 km outfall sewer line in Jouberton Ext 7,19 & 24 (West) at a cost of R11 484 778 by December 2014	-	5 Km outfall sewer line upgraded – on retention R7 737 038	-
To install a outfall sewer line in Kanana Ext 14 to relief the existing sewer network	Km outfall sewer line in Kanana Ext 14 installed	-	New project	Installing of 1 995 km outfall sewer line in Kanana Ext 14 - 85% completed at a cost of R4 389 170 by June 2015	-	85% of the outfall line installed R3 898 542	R1 630 843

# Chapter 3

## COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

- Installation of Sewer Outfall line in Kanana Ext 14 – R4 389 167;
- Tigane Ext 5 – Connections for sub divided (Erven) – R1 662 772;
- Upgrading Sewer Network Khuma Proper (North East) – R2 098 933;
- Upgrading of Sewer Outfall line in Jouberton Ext 7, 19 & 24 (West) – R11 484 778;
- Upgrading of Sewer Outfall line in Alabama/Jouberton Ext 19 (East) R531 190.

## NATIONAL KEY PERFORMANCE INDICATOR

See pages 198 - 199 for details.

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## 3.3 ELECTRICITY PROVISION

### INTRODUCTION TO ELECTRICITY PROVISION

*Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

Service delivery in terms of the Constitution of the Republic of South Africa determines the functions of the municipality and in this case specifically electricity supply to the community of the KOSH area.

The City of Matlosana has two licensed distributors of electricity within its jurisdiction, namely Eskom and the City of Matlosana.

Eskom provides electricity to township households in Kanana, Khuma, Tigane and private farms, whilst the City of Matlosana provides electricity to the towns of Klerksdorp, Orkney, Stilfontein and Hartbeesfontein (KOSH) as well as the townships Jouberton, Alabama and Manzilpark.

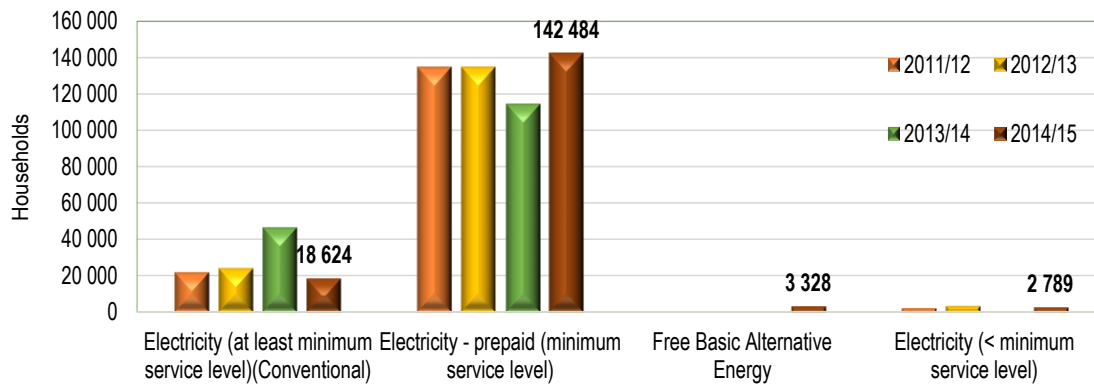
Currently the provision of basic electricity at household level in both licensed areas is done on an annual basis with funding from the Department of Energy (DME) through the Integrated National Electrification Programme (INEP). Through this programme the City of Matlosana has electrified households that are proclaimed as residential with 97 % progress in the case of houses with access by the end of July 2015.

With reference to the vision and mission of the Directorate Electrical & Mechanical Engineering to ensure a high quality of electrical supply in its licensed area, including uninterrupted electrical supply and proper public lighting (high masts and street lights) the directorate faces the following challenges:

- Ageing infrastructure.
- Limited funding to maintain and improve the existing infrastructure.
- High electricity losses due to theft and old infrastructure.
- Illegal connections.
- Mushrooming of informal settlements and settlement in private lands.

# Chapter 3

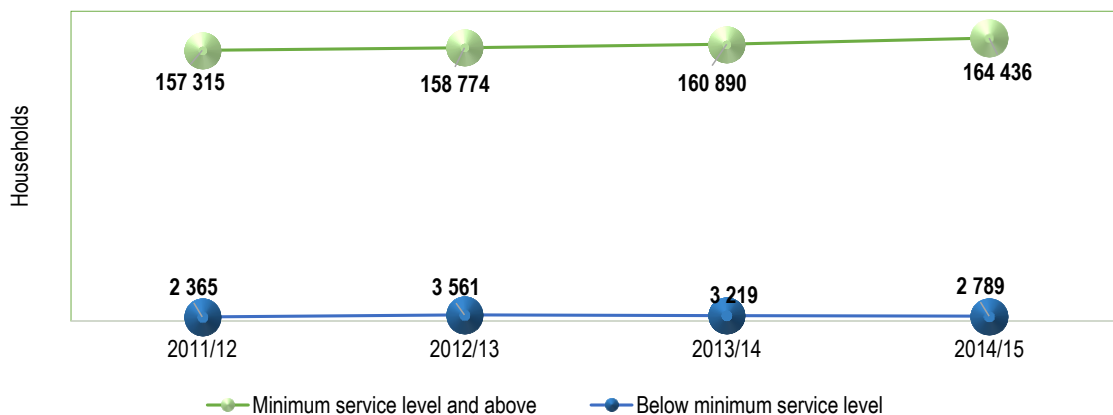
Electrical Service Delivery Levels for 2014/15



ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS

Description	Households			
	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual
<b><u>Energy: (above minimum level)</u></b>				
Electricity (at least minimum service level)(Conventional)	22 052	24 296	46 573	18 624
Electricity - prepaid (minimum service level)	134 478	134 478	114 317	142 484
Free Basic Alternative Energy	-	-	-	3 328
Minimum service level and above subtotal	157 315	158 774	160 890	164 436
Minimum service level and above percentage	98. 5%	97. 8%	98. 0%	98. 33%
<b><u>Energy: (below minimum level)</u></b>				
Electricity (< minimum service level)	2 365	3 561	3 219	2 789
Below minimum service level subtotal	2 365	3 561	3 219	2 789
Below minimum service level percentage	1. 5%	2. 2%	2. 0%	1. 67%
<b>TOTAL HOUSEHOLDS*</b>	<b>159 680</b>	<b>162 335</b>	<b>164 109</b>	<b>167 225</b>
* - Total include informal settlements				

ELECTRICITY SERVICE DELIVERY LEVELS MINIMUM, ABOVE AND BELOW MINIMUM



# Chapter 3

ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM					
Households					
Description	2012/13	2013/14	2014/15		
	Actual	Actual	Original	Adjusted	Actual
<b>Formal Settlements</b>					
Total households	158 774	162 817	162 693	162 693	163 612
Households below minimum service level	0	2 742	1 147	1 147	292
<i>Proportion of households below minimum service level</i>	0%	2%	1%	1%	0. 18%
<b>Informal Settlements</b>					
Total households	3 561	1 292	2 715	2 715	3 613
Households below minimum service level	1 981	477	1 900	1 900	2 212
<i>Proportion of households below minimum service level</i>	56. 0%	37. 0%	70. 0%	70. 0%	66. 5%

## SERVICE DELIVERY STATISTICS

DETAIL	2012/13	2013/14	2014/15
<b>Complaint Office</b>			
➤ Streetlight complaints received	4 175	3 623	4 041
➤ LV service connections complaints received	9 154	6 001	6 739
➤ High mast light complaints received	161	208	150
<b>Planning</b>			
➤ Request for electrical supply	102	556	134
➤ Connections done	29	236	22
➤ Business license inspections	559	292	214
➤ Electrical installation inspections	54	301	198
➤ Meter tampering investigations done	468	1 650	1 296
➤ Meter tampering fines issued	245	159	184
<b>Electrical Distribution</b>			
➤ Robot repairs	85	104	176
➤ Airport lights repaired	51	42	80
➤ High mast lights repaired	130	117	123
➤ Streetlights repaired	3 149	3 104	3 199
➤ LV service connections repaired	8 989	5 916	6 083
<b>Fleet Maintenance</b>			
➤ Number of vehicles serviced	621	734	484
➤ Number of other equipment repaired	112	90	106
<b>Mechanical Workshop</b>			
➤ Water pumps repaired	101	268	260
➤ Sewerage pumps repaired	258	488	648
➤ Hydraulic systems repaired	37	30	30
➤ Welding works done	178	280	470

# Chapter 3

**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 147 – 148)**

ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To finalise the upgrading of the mechanical and electrical equipment at pump stations to ensure the maintenance of the existing infrastructure	Number of mechanical and electrical equipment at pump stations upgrades finalised	Material ordered Project 10% completed. R372 153	Project completed and commissioned R7 465 970	Finalising the up-grading of 2 electrical and mechanical equipment in pump stations (Volume 4) at Rietkuil - Jouberton (ward 12); Lorraine - Tigane (wards 1 & 2) to the amount of R994 614 by September 2014	-	2 Mechanical and electrical equipment in pump-stations upgraded R88 100	-
To electrify Jacaranda CPA to better service delivery	Number of houses in Jacaranda CPA electrified	-	New project	Electrifying 80 houses in Jacaranda CPA at a cost of R 880 000 by June 2015	64 Houses	64 Houses connected and commissioned R56 302	-
To finalise the instalment of high mast lights to better service delivery	High mast lights finalised in Kanana (Phase 6)	1 High mast light erected - Electrical reticulation completed R834 094	8 High mast lights erected - Electrical reticulation completed R1 679 174	Installation 8 high mast lights in Kanana (ward 22 - 26) (phase 6) at a cost of R41 960 by September 2014	Finalising the installation by March 2015	8 High mast lights erected - reticulated and commissioned R41,960 paid in 2013/14 FY	R 2 000 000
To finalise the instalment of high mast lights to better service delivery	High mast lights finalised in Tigane (Phase 2)	3 High mast lights erected - Electrical reticulation completed R370 737	5 High mast lights erected - Electrical reticulation completed R1 435 227	Finalising the installation of 5 high mast lights in Tigane Ext 6 and Proper (wards 1 & 2) (phase 2) at a cost of R456 387 by March 2015		5 High mast lights erected - reticulated and commissioned R134 844	-

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	3	4	3	1	25%
4 - 6	10	11	10	1	9%
7 - 9	38	47	39	8	17%
10 - 12	11	13	9	4	31%
13 - 15	9	9	9	0	0%
16 - 18	26	31	23	8	26%
19 - 20	28	37	27	10	27%
<b>Total</b>	<b>125</b>	<b>152</b>	<b>120</b>	<b>32</b>	<b>21%</b>

FINANCIAL PERFORMANCE 2014/15: ELECTRICAL AND MECHANICAL ENGINEERING					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>622 743</b>	<b>777 085</b>	<b>698 841</b>	<b>565 305</b>	<b>-37%</b>
Expenditure					
Employees	30 671	32 443	32 053	32 611	1%
Repairs and maintenance	9 580	18 276	21 308	15 400	-19%
Other	530 345	530 678	732 745	485 024	-9%
<b>Total Operational Expenditure</b>	<b>570 596</b>	<b>581 397</b>	<b>786 106</b>	<b>533 035</b>	<b>-9%</b>
<b>Net Operational Expenditure</b>	<b>52 147</b>	<b>195 688</b>	<b>-87 265</b>	<b>32 270</b>	<b>-506%</b>

### ELECTRICITY LOSSES

Electricity losses at the end of the financial year 2014/2015 stand at 26 %. These electricity losses consist of technical and non-technical losses.

Technical losses are due to overloading of the network and ageing of the infrastructure. The technical losses account of approximately 9 % of the current losses reported.

Non-technical losses are due to theft of electricity by tampering with electricity metering units (by both business and residential consumers); incorrect billing; and incorrect estimation of consumption by municipality at streetlights, robots as well as water- and sewer plants.

# Chapter 3

The municipality requires huge funding to eradicate the causes of these losses, which include capital funding for:

- Upgrading of saturated network.
- Upgrading of ageing infrastructure.
- Replacement of current compact pre-paid systems installed inside the households with split type.
- Replacement of current overhead and surface meter boxes with anti-vandalism boxes.

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

During the financial year 2014/2015 more houses were built and residential areas developed and we are proud to say that the City of Matlosana has up to the financial year 2014/2015 supplied electricity to 97 % of the households in the area.

Due to the current financial situation of the municipality projects that was on the department's infrastructure-, maintenance and replacement plans were placed on hold. These projects included the purchase of equipment and vehicles for maintenance of the network as well as the appointment of technical staff required for the maintenance of the network. Due to the financial situation other capital projects such as the upgrading of the network were not even considered during the financial year, thereby putting a strain on the performance of the electricity network.

The municipality has however received funding from INEP and MIG and the following projects were completed:

- Municipal Infrastructure Grants (MIG): Upgrading of mechanical and electrical equipment in 2 pumpstations – Rietkuil (Jouberton) and Lorraine (Tigane).
- Integrated National Electrification Programme (INEP): Electrification of 20 houses in Brakspruit CPA – Phase 2 Electrification of 64 houses in Jacaranda CPA.
- Eskom supplied areas: Khuma Extension 6 – 156 households.

## NATIONAL KEY PERFORMANCE INDICATOR

See pages 200 - 201 for details.

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## 3.4 WASTE MANAGEMENT

### INTRODUCTION TO WASTE MANAGEMENT

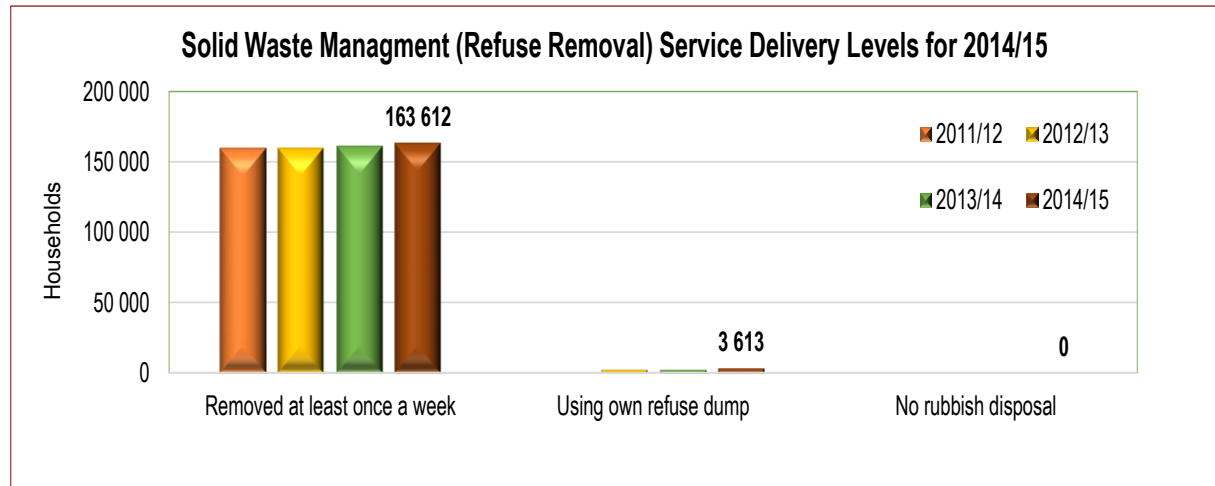
The Cleansing Section's function is to provide an acceptable, affordable and sustainable cleansing service to all the residents of Matlosana.

The service is rendered once a week at residential areas and daily at businesses and hospitals to keep the environment clean. This service is rendered with refuse compaction trucks in both townships and towns. Night soil service is rendered to residential premises in all areas where no waterborne sewerage is available. Vacuum service is rendered to residential premises and business where no waterborne sewerage or night soil service is available. This service is rendered with a suction tank.

# Chapter 3

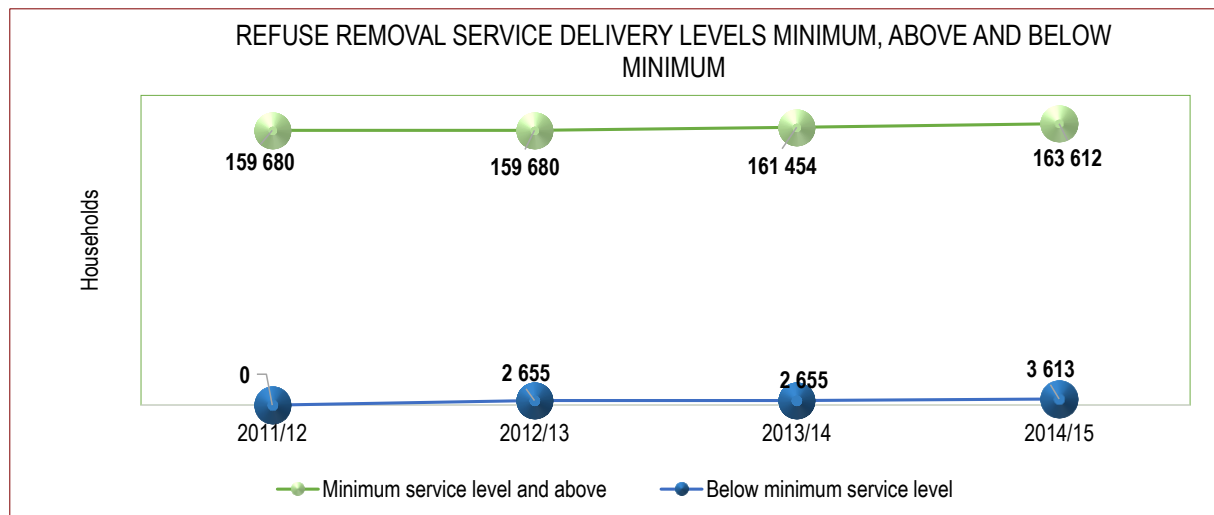
Strategic Objectives are to:

- render a uniform cleansing service to all communities;
- lease 10 refuse trucks to render an effective and efficient refuse removal service in the Matlosana area;
- conduct awareness and clean-up campaigns to eliminate illegal dumping in the Matlosana area; and
- obtain funds to purchase refuse containers for newly developed and existing areas within Matlosana.



SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS				
Description	2011/12	2012/13	2013/14	Households 2014/15
	Actual	Actual	Actual	Actual
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	159 680	159 680	161 454	163 612
Minimum service level and above subtotal	159 680	159 680	161 454	163 612
Minimum service level and above percentage	100.00%	98.36%	98.4%	97.84%
<b><u>Solid Waste Removal: (below min level)</u></b>				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	-	-	-	-
Using own refuse dump	-	2 655	2 655	3 613
No rubbish disposal	-	-	-	-
Below minimum service level – subtotal	0.00	2 655	2 655	3 613
Below minimum service level – percentage	0.00%	1.64%	1.6%	2.16%
<b>TOTAL HOUSEHOLDS*</b>	<b>159 680</b>	<b>162 335</b>	<b>164 109</b>	<b>167 225</b>
* - Total include informal settlements				

# Chapter 3



SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
					Households
Description	2012/13	2013/14	2014/15		
	Actual	Actual	Original	Adjusted	Actual
<b>Formal Settlements</b>					
Total households	159 680	161 454	162 180	162 180	163 612
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%
<b>Informal Settlements</b>					
Total households	2 655	2 655	2 655	2 655	3 613
Households below minimum service level	2 655	2 655	2 655	2 655	3 613
Proportion of households below minimum service level	100%	100%	100%	100%	100%

## EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL & STREET CLEANSING)					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	2	3	2	1	33%
7 - 9	8	8	8	0	0%
10 - 12	20	24	16	8	33%
13 - 15	23	36	22	14	39%
16 - 18	8	11	7	4	36%
19 - 20	294	328	270	58	18%
<b>Total</b>	<b>357</b>	<b>412</b>	<b>327</b>	<b>85</b>	<b>21%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2014/15: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL & STREET CLEANSING)					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>170 058</b>	<b>135 267</b>	<b>217 517</b>	<b>152 349</b>	<b>11%</b>
Expenditure					
Employees	47 653	51 369	90 311	50 702	-1%
Repairs and maintenance	2 646	4 421	4 406	4 546	3%
Other	68 141	7 367	29 155	37 120	80%
<b>Total Operational Expenditure</b>	<b>118 440</b>	<b>63 157</b>	<b>123 872</b>	<b>92 368</b>	<b>32%</b>
<b>Net Operational Expenditure</b>	<b>51 618</b>	<b>72 110</b>	<b>93 645</b>	<b>59 981</b>	<b>-20%</b>

## COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

- Refuse Removal: Provides a uniform refuse removal service to all residential sites, business premises and industrial sites. Different types of systems are in use namely; black plastic bags, 85 litre containers, 240 litre and 1100 litre containers.
- Street Cleansing: Rendering a service in the CBD areas, small CBD areas within residential areas, taxi ranks and all main roads by means of litter picking. The service is being rendered during normal working hours.
- Night Soil Removal: Renders a service to residential premises in all areas (proclaimed) where no waterborne sewerage is available.
- Vacuum Service: Renders a service to residential premises, business where no waterborne sewerage or night soil service are available.
- Public toilets: Management and cleaning of all public toilets was outsourced to small contractors for a period of twelve months without any cost to Council and will be extended for another 36 months. The maintenance remains the responsibility of Council / Cleansing section.
- Additional Refuse: Rendering a service by removing additional refuse that is dumped illegally on open spaces, corners etc and it is disposed at the landfill site.
- Recycling: A tender has been awarded to a company that is operating the regional landfill site for the collection, disposal and marketing of recyclable material for a period of twelve months but it is put on hold until the landfill site is being transferred to Community Services department.

## NATIONAL KEY PERFORMANCE INDICATOR

See pages 201 - 202 for details.

# Chapter 3

## 3.5 HUMAN SETTLEMENTS

### INTRODUCTION OF HUMAN SETTLEMENTS

The aim of this section is to accelerate housing delivery through efficient and effective human settlement management and quality service delivery as well as through integrated and collective sustainable human settlements programmes. Our priority remains that of eradicating the remaining informal settlements and introduces a rental strategy as an alternative to address housing backlogs. Our ultimate goal is to house communities by restoring their dignity. Establishment of townships can help in the realisation of housing the community.

Human Settlements have the following objectives:

- Generate revenue through rental (community residential units) / rental stock.
- Ensure the implementation of housing programmes.
- Ensure that all incomplete / blocked housing projects are unblocked and completed.
- Obtain housing accreditation.
- Improve systems and structures for the management of housing disputes

Human Settlements have the following goals:

- Ensure that beneficiaries acquire security of tenure.
- Improve living conditions of households in Matlosana.
- Access to adequate housing.

Human Settlements have the following challenges:

- Deregistration of incorrectly captured title deeds.
- Budget provision of ± 10 million for bulk services in the CRU [Community Residential Unit in Meirinigspark including installation of communal TV/ Dish Point in each block to avoid tenant to tamper with the wall plates.
- Deterioration of Jouberton and Kanana Hostel structure.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2011/12	159 680	157 786	98.8%
2012/13	162 335	158 540	98.4%
2013/14	164 109	158 540	96.6%
2014/15	167 225	163 612	97.8%

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## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	5	6	4	2	33%
7 - 9	3	4	3	1	25%
10 - 12	3	3	3	0	0%
13 - 15	5	7	6	1	14%
16 - 18	0	0	0	0	0%
19 - 20	2	2	1	1	50%
<b>Total</b>	<b>19</b>	<b>23</b>	<b>18</b>	<b>5</b>	<b>22%</b>

FINANCIAL PERFORMANCE 2014/15: HUMAN SETTLEMENTS					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>1 198</b>	<b>2 585</b>	<b>1 634</b>	<b>1 348</b>	<b>-92%</b>
Expenditure					
Employees	6 253	6 812	6 446	6 735	-1%
Repairs and maintenance	79	176	125	83	-112%
Other	1 673	2 628	3 093	2 245	17%
<b>Total Operational Expenditure</b>	<b>8 005</b>	<b>9 616</b>	<b>9 664</b>	<b>9 063</b>	<b>-6%</b>
<b>Net Operational Expenditure</b>	<b>-6 807</b>	<b>-7 031</b>	<b>-8 030</b>	<b>-7 715</b>	<b>9%</b>

### COMMENT ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

The City of Matlosana has its fair share of successes on its effort to bring housing to the people. Part of a 5 year plan was to eradicate all informal settlements by 2014. Though the projects are still in progress, we have successfully managed to address housing backlogs through our informal settlement upgrading programs and strategies.

The following achievements where informal settlements upgrading programs is being implemented are worth mentioning;

- ➔ Kanana Ext 11 & 13.
- ➔ Jouberton Ext 20 (complete).
- ➔ Jouberton Ext 21 & 23.
- ➔ Khuma Ext 6.

# Chapter 3

The challenge experienced in the process of implementing the programme is that beneficiaries are not coming forward to apply. The section however, utilising ward committee members as well as ward councillors to encourage people to come forward.

The community residential units (100 units) situated in Meirinigspark (Behind Shell Ultra City) for which the Province has budgeted R 24 000 000, were successfully implemented. The project is complete and the installation of internal bulk services is still awaited. Funding has been requested from the Province.

There is dire need for establishment townships in Khuma, Kanana and Jouberton if we are to address housing backlog. Our housing backlog is growing with so much speed and the sooner we establish townships the better.

In Alabama we have established Alabama Ext 4 & 5 for which we need funding to finalise the registration of township and internal services designs and installations respectively. Jouberton and Tigane areas do not have suitable land for new housing development. We need to look at purchasing land around these areas as most suitable lands are private.

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Only household where the total household income is less than the total old age grant received per month by two pensioners in a household may apply for support which is the maximum old age grant of R2 700.

NUMBER OF HOUSEHOLDS HOUSEHOLDS EARNING LESS THAN R 2 700 PER MONTH									
Year end	Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%
2011/12	41 125	41 125	100%	41 125	100%	41 125	100%	41 125	100%
2012/13	44 628	44 628	100%	44 628	100%	44 628	100%	44 628	100%
2013/14	45 448	45 448	100%	45 448	100%	45 448	100%	45 448	100%
2014/15	38 393	38 393	100%	38 393	100%	38 393	100%	38 393	100%

### NATIONAL KEY PERFORMANCE INDICATOR

See page 205 for details.

### COMMENTS ON FREE BASIC SERVICES AND INDIGENT SUPPORT

Verification will be done using ICT as well as physical audit to confirm the household financial status. False information will disqualify anyone from further participation in the subsidy and immediate repayment of all allocation received plus interest and the risk possible criminal proceedings being instituted. Should the gross income of a household increase and exceed the approved limit during the subsidy period the registered consumer must immediately inform the municipality.

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FINANCIAL PERFORMANCE 2014/15: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
R'000					
Services Delivered	2013/14	2014/15			
	Actual	Budget	Adjustment	Actual	Variance to Budget
Water	135 647	99 000	135 521	135 521	27%
Waste Water (Sanitation)	29 970	48 000	35 529	35 529	-35%
Electricity	19 821	48 000	43 040	43 040	-12%
Waste Management (Solid Waste)	60 999	48 000	63 758	63 758	25%
<b>Total</b>	<b>246 437</b>	<b>243 000</b>	<b>277 848</b>	<b>277 848</b>	<b>13%</b>

## LEVEL OF INDIGENT SUPPORT

The level of indigent support will be as follows:

- **Water:** Usage: A subsidy amount equal to the value of 6 kℓ water and thereafter normal tariffs will apply. A water management device will be acquired and inserted in properties qualifying for indigent relief who continually consume above 6 kℓ over a period of 3 months, so as to reduce the consumption to affordable levels.  
Basic Fees: A subsidy amount equal to the value of the basic fees as determined by the water tariffs.
- **Refuse removal:** Free of charge.
- **Sewerage:** Free of charge.
- **Electricity:** A maximum of 50 kWh free of charge and thereafter normal tariffs will apply and (should the electricity purchased exceed 450 kWh per month, over a twelve month average up to June of the completed financial year, such tariff shall be changed and the 50 kWh free will no longer be allocated).  
Basic Fees: A subsidy amount equal to the value of the basic fees as determined by the electricity tariffs.
- **Alternative Energy:** Those indigent South African consumers who do not have access to electricity qualify for alternative energy sources. According to the National Policy for Indigents, paraffin may be utilised as one of the core sources for alternative energy. These consumers will qualify for a once-off annual supply of double plate paraffin stove as well as two paraffin lamps. Simultaneously, they qualify for 20 litres of paraffin per month in order to utilise the supplied items and thereby have access to alternative energy.
- **Rates:** 100% of the balance of the rates as subsidised by the Property Rating Policy will be subsidised for indigent residents. (The gross total household income of the residential property may not exceed R2 700 (Two thousand, seven hundred rand) or the maximum income of the Senior Citizens and Disabled Persons Rates Rebate Scheme, which receives a 100% rates rebate and the applicant may not be the registered owner of more than one property and must be a full-time occupant of the property.
- In the last financial year the municipality spent R246 603 157 million on free basic services.

## COMPONENT B: ROAD TRANSPORT

This component includes Roads and Storm-Water Drainage and Licensing Services.

# Chapter 3

## INTRODUCTION TO ROAD TRANSPORT

To provide top-class roads and transport infrastructure networks, systems and services that are reliable, accessible, affordable, can facilitate seem less mobility of goods and people and also promote socio-economic development within City of Matlosana.

### 3.7 ROADS AND STORM-WATER DRAINAGE

#### INTRODUCTION TO ROADS AND STORM-WATER DRAINAGE

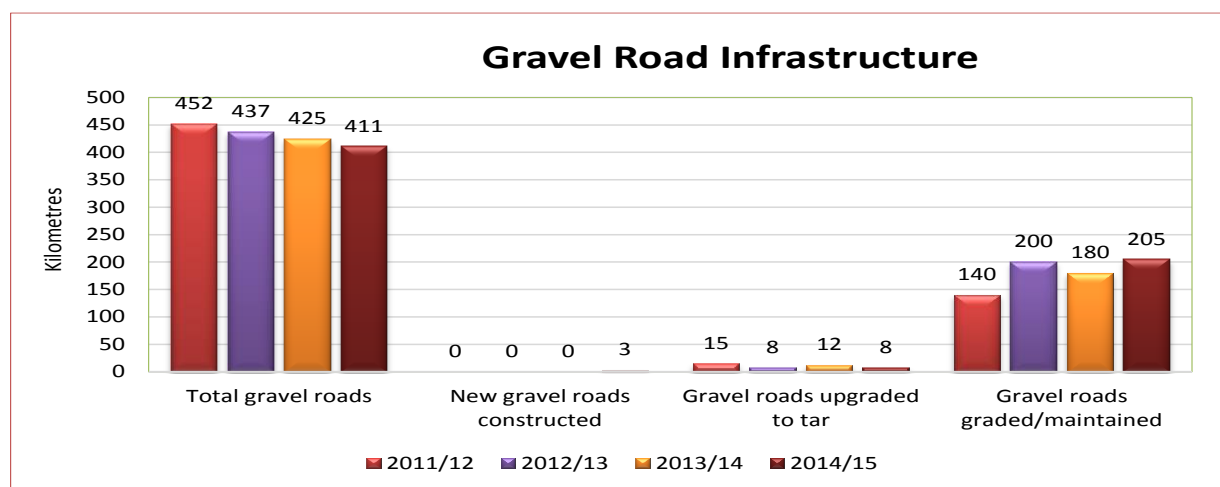
The Roads and storm-water section adds value to accessibility in Matlosana through the provision of sustainable roads and storm-water service of high quality.

The section's goals are to:

- ensure safe storm-water and drainage environment;
- provide roads and storm-water infrastructure development and maintenance; and
- provide safe and pothole free roads.

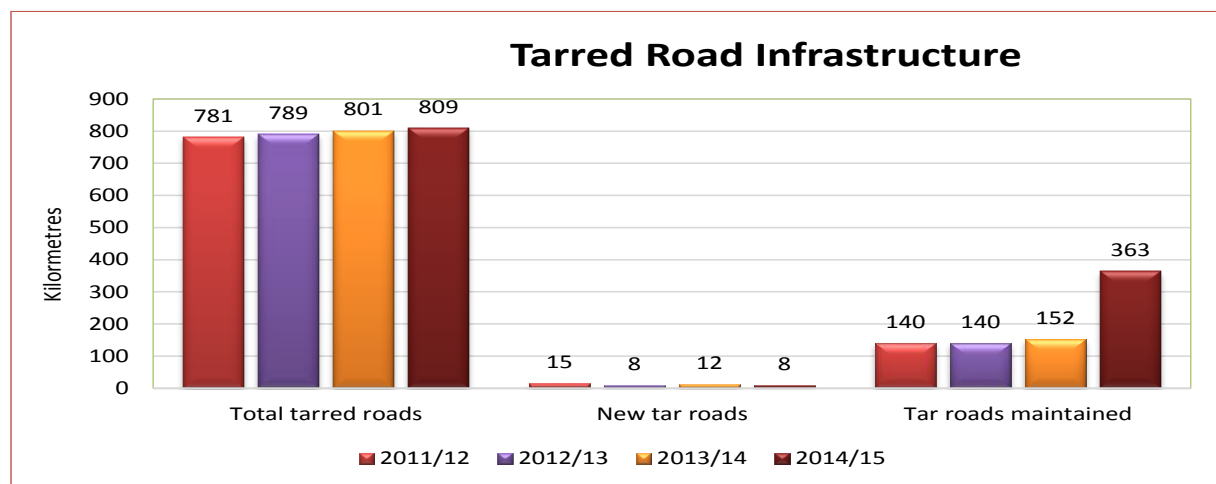
Roads and storm-water section is responsible for planning, providing and maintaining the roads and storm-water infrastructure of City of Matlosana to facilitate economic growth and socio-development, promote traffic safety, improve traffic flow and alleviate traffic congestion.

GRAVEL ROAD INFRASTRUCTURE				Kilometers
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2011/12	452	0	15	140
2012/13	437	0	8	200
2013/14	425	0	12	180
2014/15	411	3	8	205

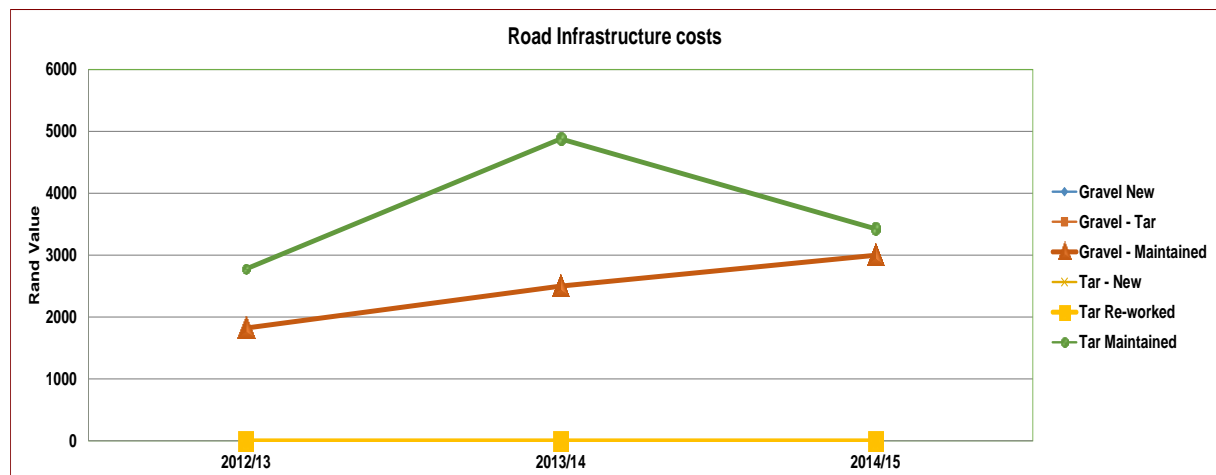


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TARRED ROAD INFRASTRUCTURE					Kilometers
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2011/12	781	14.7	0	0	140
2012/13	789	8.4	0	0	140
2013/14	801	12	0	0	152
2014/15	809	8	0	0	363

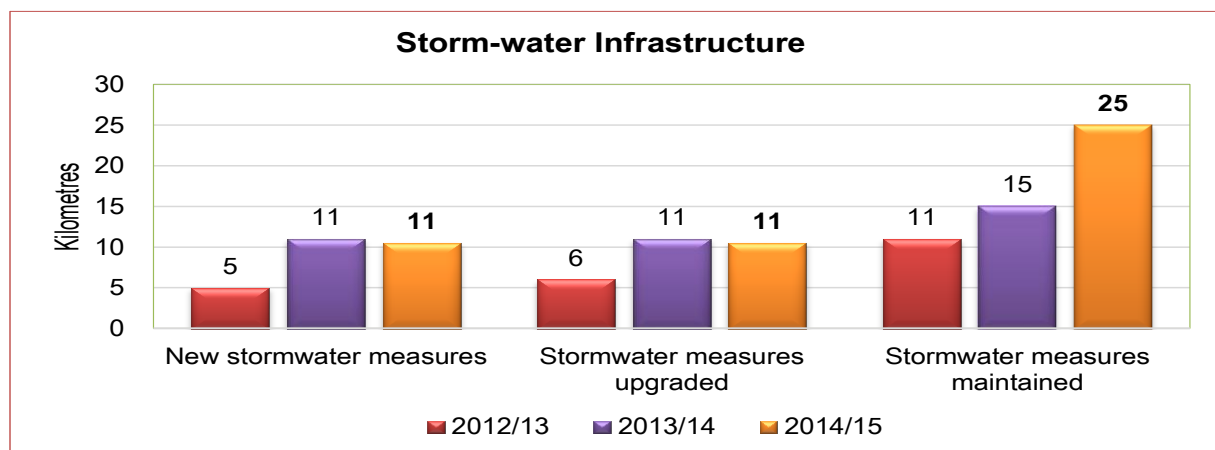


COST OF CONSTRUCTION / MAINTENANCE						R' 000
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2011/12	490	1 900	280	2 300	1 300	550
2012/13	498	2 600	300	2 600	400	600
2013/14	0	41 860	180	41 860	0	152
2014/15	0	0	2 997	0	0	3 426

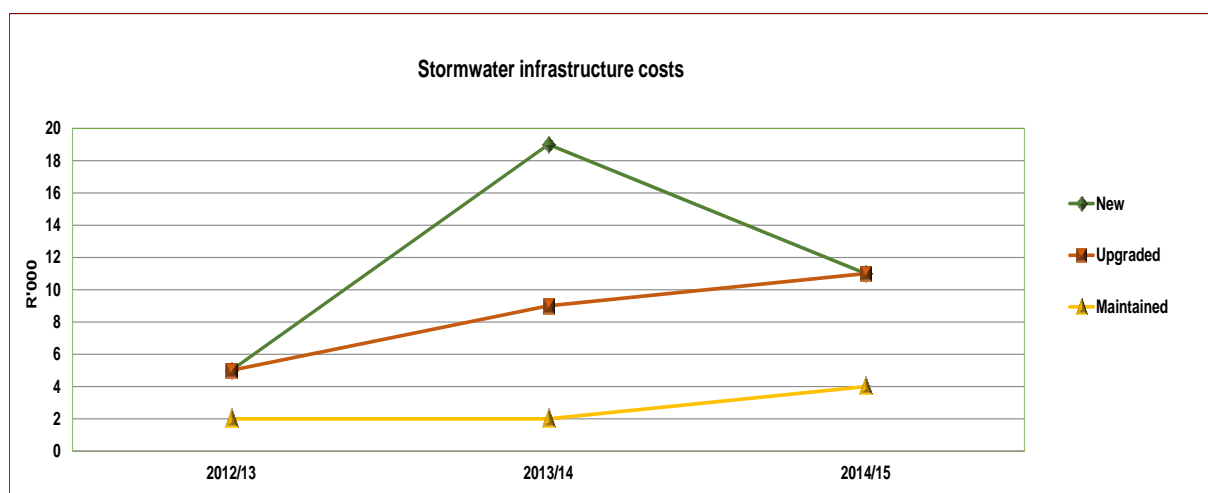


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STORM-WATER INFRASTRUCTURE			
			Kilometers
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained
2012/13	5	6	11
2013/14	11	11	15
2014/15	11	11	25



COST OF CONSTRUCTION / MAINTENANCE			
			R' 000
Year	Storm-Water Measures		
	New	Upgraded	Maintained
2012/13	5	5	2
2013/14	19	9	2
2014/15	11	11	4



# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	13	14	12	2	14%
10 - 12	25	29	25	4	14%
13 - 15	4	4	3	1	25%
16 - 18	23	26	24	2	7%
19 - 20	94	107	90	17	16%
<b>Total</b>	<b>162</b>	<b>183</b>	<b>157</b>	<b>26</b>	<b>14%</b>

FINANCIAL PERFORMANCE 2014/15: ROAD AND STORM-WATER DRAINAGE					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>5540</b>	<b>7 545</b>	<b>7 782</b>	<b>916</b>	<b>-724%</b>
Expenditure					
Employees	57 521	47 772	46 085	33 344	-43%
Repairs and maintenance	9 401	16 990	13 547	8 713	-95%
Other	83 938	144 119	143 873	118 203	-22%
<b>Total Operational Expenditure</b>	<b>150 860</b>	<b>208 881</b>	<b>203 505</b>	<b>160 260</b>	<b>-30%</b>
<b>Net Operational Expenditure</b>	<b>-145 320</b>	<b>-201 336</b>	<b>-195 723</b>	<b>-159 344</b>	<b>-26%</b>

# Chapter 3

**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 140 – 143)**

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To construct a pedestrian bridge over the N12 between Alabama and Jouberton to ensure public safety	Pedestrian bridge over N12 constructed	New project	New project	Constructing a 102m pedestrian bridge over the N12 between Alabama and Jouberton at a cost of R21 625 000 by June 2015	R16 874 918	Steel and concrete works completed Project 75% completed R13 592 170	R6 000 000
To pave taxi routes and upgrade storm-water drainage systems to ensure a better accessibility to the community	Km taxi routes paved and storm-water drainage system upgraded as per program in Tigane (Phase 7)	New project	1 Km layers works completed R5 168 727	Paving of 1 km taxi routes and upgrading of storm-water drainage system as per program in Tigane (Phase 7) at a cost of R1 648 025 and R1 142 010 (R4 847 075) by September 2014	R3 199 050 (R2 790 035) March 2015	1Km layer-works and surfacing 100% completed R4 457 578	
To open a new solid waste cell in Klerksdorp to ensure a safe disposal environment for the community	Number of new solid waste cells on existing solid disposal site in Klerksdorp opened	Stilfontein and Orkney landfill sites completed. R10 398 962	Orkney & Stilfontein landfill sites rehabilitated R 361 811	Opening of 1 new solid waste cell on existing solid disposal site in Klerksdorp at a cost of R13 729 471 by June 2015	95% completed R10 000 000	Earthworks 95% completed and subsoil drainage 95% completed R8 771 930	R1 500 & R3 729 471

# Chapter 3

## COMMENTS ON THE PERFORMANCE OF ROADS AND STORM-WATER DRAINAGE OVERALL

The Dr Kenneth Kaunda District Council has appointed Aganang Consulting Engineers for the development of the Roads Master Plan in the entire District. Our Master Plan should be handed over to us by the end of the 2015/16 financial year. 50% of the plan was completed at the end of June 2015.

The following projects will be completed within their approved budgets:

- Paving of Kanana taxi routes (Phase 7) – R2 455 595 439.
- Paving of Alabama taxi routes (Phase 6) – R967 543.
- Paving of Tigane taxi routes (Phase 7) – R3 199 051.
- Paving of entrance road to Tigane Cemetery – R2 995 887.

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### 3.8 LICENSING SERVICES

#### INTRODUCTION TO LICENSING SERVICES

Acts and Regulations that governs the Licensing Section

- National Road Traffic Act and Regulations, 1996 (Act no. 93 of 1996)
- Road Traffic Management Corporation Act (20/1999)
- Administrative Adjudication of Road Traffic Offences (Act 46 of 1998)
- North-West Business Act 6 of 1997
- Public Safety Traffic and Security By Laws – approved 5/12/2003
- South African National Standards for the Motor Vehicle Testing Centre (SANS)

#### Description of the activity

- Administrative personnel at Registration Authority assist members of public with information and perform transactions for the registration of vehicles, licensing/renewal/deregistration of vehicle licences, issuing of permits, application and issuing of motor trade plates, change of particulars of motor vehicle/owner, renewal of drivers licences, application and issuing of business, hawkers licences and stands, application and issuing of certification of roadworthy certificates of motor vehicles, weighbridge certificates of motor vehicles, application and issuing of learners licences, application and issuing of drivers licences, application for professional driving permits, application for temporary driving licences, transaction fees (RTMC).
- Driving license personnel issue information and assist members of public on all activities of drivers licences, vehicle licences, vehicle testing and business licences. Reconciliation of daily by the cashiers with supervision of supervisors. Management personnel reconcile the daily takings, votes, request overpayment of money to province/prodiba (Driving license facility) / RTMC (Road Traffic Management), administrative functions on all activities, reconciliation of daily takings and banking. Reconcile the monthly ledgers and do the statistics of the division.
- Inspectors of Licenses perform inspections on businesses, hawkers and motor dealers.
- Examiners for driving licenses perform eye test for renewal of driver licenses, professional driving permits when applicant applies to be tested for learner license, driving license. Examiners for driving licenses test members of public for learner and driver licenses.

# Chapter 3

- Examiners for testing of vehicles inspected the vehicles for roadworthiness and weigh vehicles on the weigh bridge scale.

## Challenges

- Since a pay point was opened at the Post Office in April 2014 for renewal of licenses, the income and statistics on renewal of vehicle licenses and the Road Traffic Management drastically decreased. A number of 14 160 licenses was lesser renewed at the Licensing Department. Licensing should be promoted but not before cashiers and supervisors are budget for and appointed to ensure smooth service delivery and prevention of public members to flog to Post Office for renewals.
- Security is a high risk for members of public as well as the safeguard of the daily cash takings and risk on personnel's safety and health. Rota-doors are needed for more security as well as security measurements for the safety of workers as well as members of the public.
- The shortage of seating for the public and cashiers needs to be addressed.

## **SERVICE STATISTICS FOR LICENSING SERVICES**

DESCRIPTION	2012/13	2013/14	2014/15	COST (R'000)
Registration of vehicles	38 889	40 361	38 673	4679
Licensing / renewal of vehicle licences	101 997	99 707	85 547	50 553
Issue of permits	6 847	6 056	5 706	597
Application and renewal of motor trade plates	201	233	202	137
Application and issuing of business licences, hawkers' licences and stands	1 106	611	501	531
Application and issue of certification of roadworthiness certificates of motor vehicles	4 821	3 584	1 750	369
Weigh bridge certificate of vehicles	1 217	1 262	1 989	138
Application and issue of learner's licences	14 319	12 640	13 106	1 651
Application and issue of driver's licences	8 301	7 789	7 602	1 796
Application for professional driving permits	3 161	3 191	3 296	415
Renewal of drivers' licences	14 414	12 459	12 750	2 830
Issuing of temporary drivers' licences	7 277	6 844	7 206	374
Road Traffic Management Corporation	92 640	91 457	75 603	2 764

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	23	43	21	22	51%
10 - 12	18	40	17	23	58%
13 - 15	6	9	7	2	22%
16 - 18	3	3	3	0	0%
19 - 20	6	6	5	1	17%
<b>Total</b>	<b>58</b>	<b>103</b>	<b>55</b>	<b>48</b>	<b>47%</b>

FINANCIAL PERFORMANCE 2014/15: LICENSING SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>69 035</b>	<b>79 025</b>	<b>74 499</b>	<b>65 818</b>	<b>-20%</b>
Expenditure					
Employees	13 575	15 195	14 794	14 392	-6%
Repairs and maintenance	169	437	328	17	-2 471%
Other	53 038	59 647	63 780	50 955	-17%
<b>Total Operational Expenditure</b>	<b>66 782</b>	<b>75 279</b>	<b>78 902</b>	<b>65 364</b>	<b>-15%</b>
<b>Net Operational Expenditure</b>	<b>2 253</b>	<b>3 746</b>	<b>-4 403</b>	<b>454</b>	<b>-725%</b>

## COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES

- Since the Examiners of Provincial department start to assist at Klerksdorp with the testing of driver licenses, there is a drastic change in the testing for driver licenses. There is no more queuing at Klerksdorp, Orkney, Stilfontein and Hartbeesfontein. Applicants are assisted for appointments bookings throughout the day.
- On the RA section in Klerksdorp two personnel of Traffic assist as cashiers enabling this office to render a smoother service delivery to the public.
- On the Driver section in Klerksdorp two personnel of Traffic assist as cashiers since the arrival of the Provincial examiners enabling the section to render a smooth service to the members of the public.
- Except for two weeks payments the 80% payments to Province, all payments to Province were made.

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes town-planning, building construction, local economic development and the fresh produce market.

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## 3.9 PLANNING

### INTRODUCTION TO TOWN-PLANNING

Main elements of planning strategies

#### Land Use Mangement

- Land Use Management addresses past spatial and regulatory imbalances; to promote greater consistency and uniformity in the application procedures and decision making by authorities responsible for land use decisions and development applications.

#### Land Development Management

- Land Development Management means the control and regulation of erection of buildings or structures on land or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme.
- The City of Matlosana SDF, 2009 is used to guide development. In terms of the SPLUMA, 2013 plays an important role in motivating land use and development application in Matlosana.

#### Achievements

- Currently reviewing the Land Use Scheme.
- SDF awaiting Council's approval Implementation of SPLUMA (Spatial Planning Land Use Management Amendment).

#### Challenges:

- Shortage of personnel to enforce the Klerksdorp Land Use Mangement Scheme, 2005.
- Shortage of suitable land for township establishment at Khuma due to geological constraints.
- Lack of compaterred building plan administration system and hardware.

#### Service Delivery Priorities And Impact

- Township establishment – addressed the housing backlog/ informal settlements.
- Land use management – issued notices and penalties to transgressors of KLUMS, 2005 (illegal land uses).
- Land development management – issued notices for illegal building to minimise illegal developments.

SERVICE DELIVERY PRIORITIES	IMPACT	MEASURES TAKEN TO IMPROVE PERFORMANCE	EFFICIENCIES ACHIEVED
Township Establishment	Addressed the housing backlog / informal settlements	Project were listed in IDP and budget requests were made	None
Land Use Management	Issued notices and penalties to transgressors of KLUMS, 2005 (illegal land uses)	A request was submitted to Human Resources for appointment of Town Planning Aassistant and Data	None because the moratorium

# Chapter 3

		Capturer	
Land Development Management	Issued notices for illegal building to minimise illegal developments	Proposed organogram was submitted to strategic planning for consideration	None

## SERVICE STATISTICS FOR PLANNING

### Development Planning and Building Control

DETAIL	2012/13	2013/14	2014/15
Detail of building plans			
➤ Number of building plans approved (excluding low cost housing)	1 187	1 197	945
Value of building plans approved	R534 424 100	R37 865 200	R1 235 160 700
Number of applications received for			
➤ Township establishment	2	3	4
➤ Rezoning	42	48	62
➤ Special consent	11	11	14

### Building Construction

DETAIL	2012/13 R	2013/14 R	2014/15 R
Value of work completed			
➤ Maintenance on buildings	2 765 921	2 979 796	1 725 398
➤ Capital work			
* Departmental	693 308	0	0
* Consultants	1 643 885	0	0
* MIG	571 851	2 730 829	2 174 780
* Arts and Culture Grant	0	890 601	0
➤ Labour and vehicle cost in respect of maintenance not captured	3 431 582	3 706 109	4 218 474

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Planning application received	3	4	48	62	1 092	942
Determination made in year of receipt	2	0	40	46	1 089	945
Determination made in following year	1	0	8	0	0	0
Applications withdrawn	0	0	0	0	3	0
Applications outstanding at year end	0	4	0	16	0	3

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## EMPLOYEE INFORMATION

EMPLOYEES: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	8	8	7	1	13%
7 - 9	15	17	15	2	12%
10 - 12	12	14	12	2	14%
13 - 15	9	10	9	1	10%
16 - 18	12	14	11	3	21%
19 - 20	1	1	0	1	100%
<b>Total</b>	<b>58</b>	<b>65</b>	<b>55</b>	<b>10</b>	<b>15%</b>

FINANCIAL PERFORMANCE 2014/15: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>2 223</b>	<b>1784</b>	<b>1 039</b>	<b>1 136</b>	<b>-57%</b>
Expenditure					
Employees	14 471	12 258	12 360	12 459	2%
Repairs and maintenance	68	961	932	279	-244%
Other	6 438	1 106	1 003	769	-44%
<b>Total Operational Expenditure</b>	<b>20 977</b>	<b>14 325</b>	<b>14 295</b>	<b>13 507</b>	<b>-6%</b>
<b>Net Operational Expenditure</b>	<b>-18 754</b>	<b>-12 541</b>	<b>-13 256</b>	<b>-12 371</b>	<b>-1%</b>

## COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

No capital projects were funded by Council through the IDP process for the 2014/15 financial year.

## 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETING)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) is a locally driven process designed to identify, harness and utilise resources to stimulate the local economy and create new job opportunities. LED is not one of specific action or programme, rather it is the sum total of the individual contributions of a broad spectrum of community.

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In aligning the National Government initiatives on Economic Development policies, i.e. New Growth Path and National Development Plan with our local development economic strategy, the Directorate seeks to create an enabling environment conducive to the development of SMME, Co-operative, Youth and Broad-Based Black Economic Empowerment Enterprises and provide a broad range of business development support services by working with enterprise support organisations in both the financial and non-financial support spheres.

Local Economic Development is seen as one of the most important ways of building a diverse economic base, developing skilful & inclusive economies develop enterprises, economic governance and infrastructure.

Tourism plays an important role in the development of local economy, creation of employment, small business development and income generation. It implies a proactive approach by tourism industry partners to develop, market the tourism industry in a responsible manner, so as to create competitive advantage. Tourism encourages local communities and businesses to respect, invest in and develop local cultures and protect it from over commercialisation and exploitation.

LOCAL ECONOMIC ACTIVITY BY SECTOR			
Sector	No of Jobs		
	2012/13	2013/14	2014/15
Agriculture, forestry and fishing	0	114	100
Manufacturing	0	0	0
Wholesale and retail trade	269	220	610
Infrastructure services	1 010	1 133	931
<b>Total</b>	<b>1 279</b>	<b>1 467</b>	<b>1 641</b>

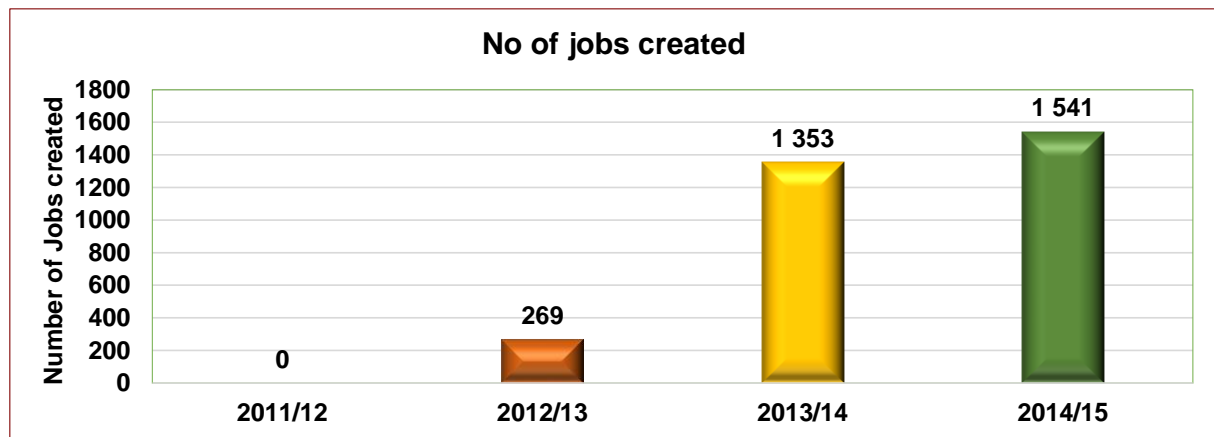
## COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS		
Year	EPWP Projects	Jobs created through EPWP projects
	No	No
2011/12	2	102
2012/13	15	1 010
2013/14	0	238
2014/15	14	0

\*- Extended Public Works Programme

JOBS CREATED DURING 2014/15 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)				
Year	No of jobs created	No odd jobs lost / displaced by other initiatives	No of net total jobs created in year	Method of validating jobs created/lost
2011/12	0	0	0	Loco inspection
2012/13	269	0	269	Loco inspection
2013/14	1 353	0	1 353	Loco inspection
2014/15	1 541	0	1 541	Loco inspection

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The continual implementation of the National Government programme on EPWP is generating work opportunities on short term basis. The completion of the Matlosana Mall has created short term jobs during the construction phase and long term employment after the completion of the Mall.

It is envisaged that the following LED anchor projects will create sustainable long term employment once they are implemented and completed:

- Enterprise Development Centre (EDC).
- Meat Processing Plant.
- Neighbourhood Development Partnership Grant (Township Renewal Project).
- Airport Development.
- Goudkoppie Heritage Site.
- Kabi Solar.

## EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	7	7	5	2	29%
7 - 9	3	4	3	1	25%
10 - 12	3	5	3	2	40%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>5</b>	<b>25%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2014/15: LOCAL ECONOMIC DEVELOPMENT AND FRESH PRODUCE MARKET					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>17 974</b>	<b>19 594</b>	<b>16 360</b>	<b>17 576</b>	<b>-11%</b>
Expenditure					
Employees	12 572	14 419	13 927	13 500	-7%
Repairs and maintenance	1 262	2 418	2 274	1 805	-34%
Other	2 181	16 838	11 141	8 766	-92%
<b>Total Operational Expenditure</b>	<b>21 379</b>	<b>31 614</b>	<b>27 342</b>	<b>24 071</b>	<b>-31%</b>
<b>Net Operational Expenditure</b>	<b>-3 405</b>	<b>-12 020</b>	<b>-10 982</b>	<b>-6 495</b>	<b>-85%</b>

## COMMENTS ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

LED facilitated funding for the following developments:

- Rural Economic Developments.
- Construction of four shade nets and installation of irrigation system to support emerging farmers and food security.
- Construction of shade nets at Vaal Reefs Anglo-Gold Ashanti SLP.
- Building of youth car wash in Jouberton: Anglo-Gold Ashanti SLP.
- NDPG-Construction of the N12 pedestrian bridge.
- Completion of Matlosana Mall and extension of Flamwood Walk.

### Training

- Facilitated capacity building workshops and training for SMME's and Co-operatives.
- Implementation of Food and Beverage Learnership for Tourism Buddies programme by National Department of Tourism.
- Implementation of Youth Jobs in Waste Programme by National Department of Environmental Affairs.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 204 for details.

## INTRODUCTION TO COMMUNICATION AND MARKETING SERVICES

Communications and Marketing section is about how the municipality promotes democracy and encourages citizens to play a more effective role in how they are governed. The roles and functions of Communications and Marketing section are to support and promote the municipality's vision and mission.

Guided by the Local Government Municipal Systems Act 32 of 2000, as amended, the Communication and Marketing section seeks to address the communication needs of the municipality by ensuring that information

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dissemination is encouraged and promoted. Highlight the significance of communicating and promoting government programmes to communities in and around Matlosana, district, province, national and international stakeholders.

## Strategic Objective of Communications and Marketing Services is to:

- develop a coherent and co-ordinated approach of communication and Marketing;
- enhance and promote the image of the municipality;
- customer care and Batho Pele;
- promote transparency within the municipality;
- have a proactive and responsive communication approach;
- maintain good relations with the media;
- promote and protect corporate image and brand of council;
- promote agriculture, culture and tourism;
- empower communities with information;
- plan and co-ordinate council events;
- build good relations with stakeholders; and
- ensure compliance to Communication and Marketing Policies.

## Description of Communication and Marketing structure

- Media relations.
- Communication research.
- Marketing and branding.
- Outdoor advertising.
- Outreach and event co-ordination.

## Communication and Marketing mechanisms

- Outreach programmes.
- Stakeholders meetings.
- Electronic and print media.
- Posters, brochures, banners and fliers.
- Media information sessions.
- Outdoor advertising.
- Loud hailing.
- Municipal meetings.
- Municipal website.
- Short message service (sms).
- Newsletters.
- Local Communicators Forum.

NEWSLETTERS		DISTRUBUTIONS	
Internal newsletters		6 electronic internal newsletters	
External newsletters		8 external newsletters distributed	

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## Adopted Policy

- Communication strategy.
- Media relation policy.
- Corporate identity/branding policy.
- Outdoor policy.

### 3.11 FRESH PRODUCE MARKET

#### INTRODUCTION TO THE FRESH PRODUCE MARKET

The aim of the Fresh Produce Market is to have an equally balanced supply and consumption of quality fruits and vegetables; encourage and promote appropriate initiatives with a significant contribution to the local economic development of the City of Matlosana and the North-West Province.

The market's main objective is to create a fair trading platform for quality fruits and vegetables and to

- provide facility for trading, storage and logistical enhancement;
- encourage consumption of fruits and vegetables for healthier and better lifestyles, through 5-a-day for better health campaigns;
- encourage and support SMME development (emerging producers & informal traders within the industry);
- contribute towards the local economy of the greater Matlosana.

The main challenge is the deregulation of the Fresh Produce Industry. The Market should be allowed to operate in such a way that its income is invested back into market projects. This will enable the market to gain competitive advantage over larger South African Markets. New business strategy should be developed and a flexible organisational structure to drive the then strategy.

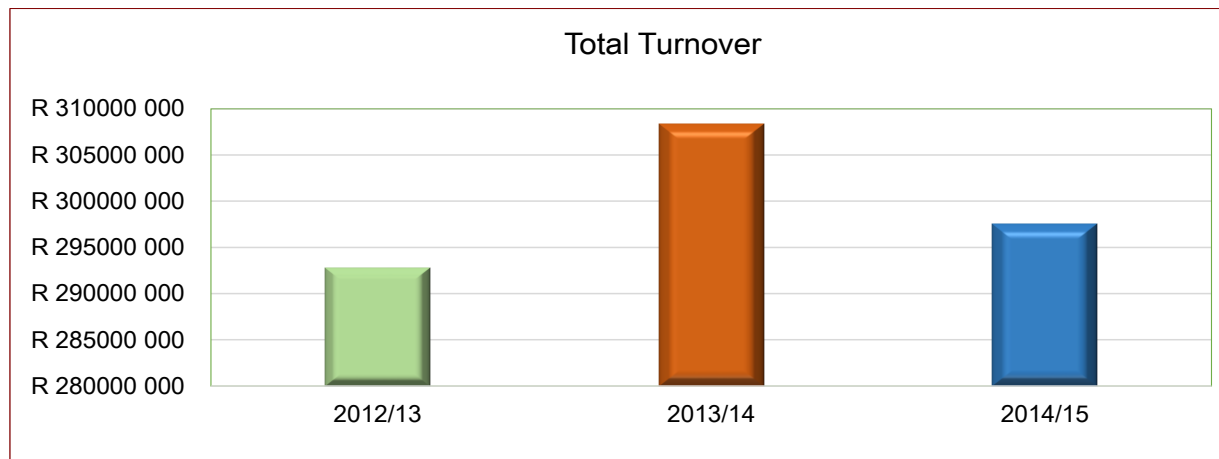
#### SERVICE STATISTICS OF THE FRESH PRODUCE MARKET

##### Total turnover

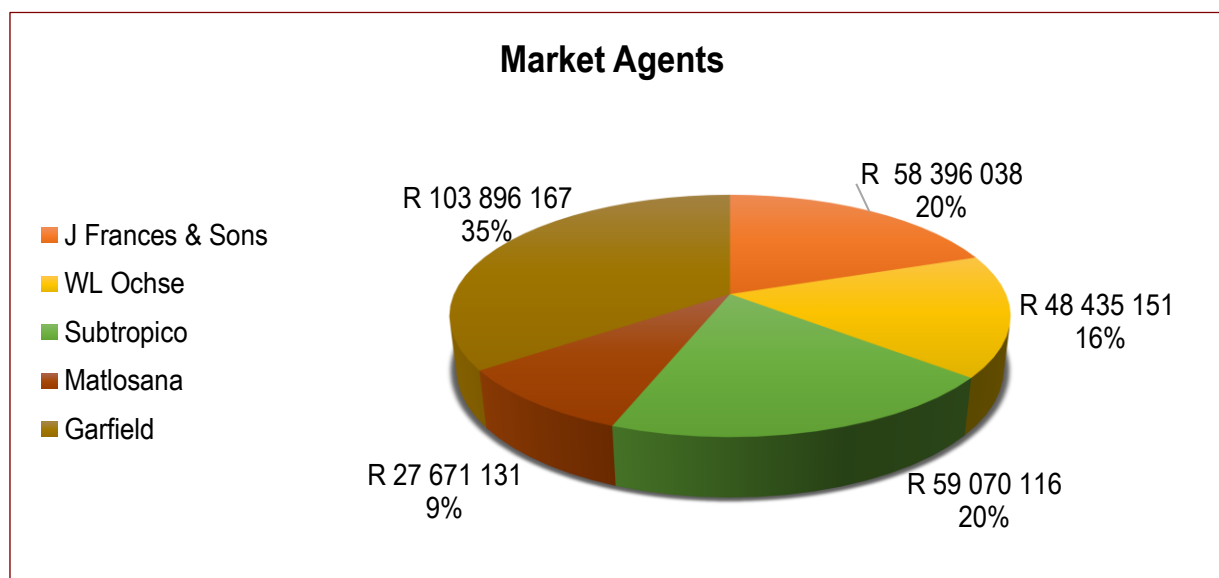
MONTH	2012/13 R	2013/14 R	2014/15 R	DIFFERENCE R
July 2014	20 493 851	23 860 983	25 598 301	1 737 317
August 2014	21 186 477	23 823 630	24 909 881	1 086 251
September 2014	21 921 014	23 777 333	26 019 355	2 242 022
October 2014	29 589 603	30 113 352	28 988 195	(1 125 157)
November 2014	29 603 927	28 440 869	28 669 982	234 635
December 2014	25 368 452	27 881 261	25 819 056	(2 062 205)
January 2015	25 820 256	25 619 828	22 168 911	(3 450 917)
February 2015	23 737 312	24 819 721	22 105 687	(2 713 533)
March 2015	23 724 319	26 257 733	25 430 467	(827 265)
April 2015	24 975 621	24 526 085	23 442 561	(1 083 444)
May 2015	24 966 980	26 254 591	22 720 182	(3 534 409)
June 2015	21 380 372	22 996 758	21 596 025	(1 400 733)
<b>TOTAL</b>	<b>292 768 184</b>	<b>308 372 145</b>	<b>297 468 602</b>	<b>(10 897 439)</b>

The total turnover for 2014/2015 was R297 468 602.

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NAME	GROSS SALES	GROSS SALES	FLOOR SPACE ACCORDING TO GROSS SALES
	R	%	m <sup>2</sup>
J Frances & Sons	58 396 038	19.63	2121
WL Ochse	48 435 151	16.28	3040
Subtropico	59 070 116	19.86	2460
Matlosana	27 671 131	9.30	177
Garfield	103 896 167	34.93	4785
<b>TOTAL</b>	<b>297 468 603</b>	<b>100.00</b>	<b>12 581</b>

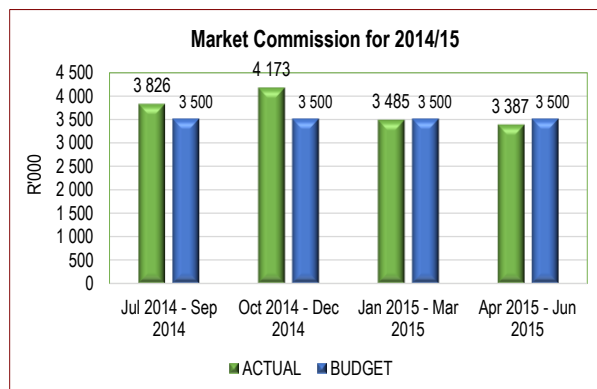


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## Turnover on products sold by Council

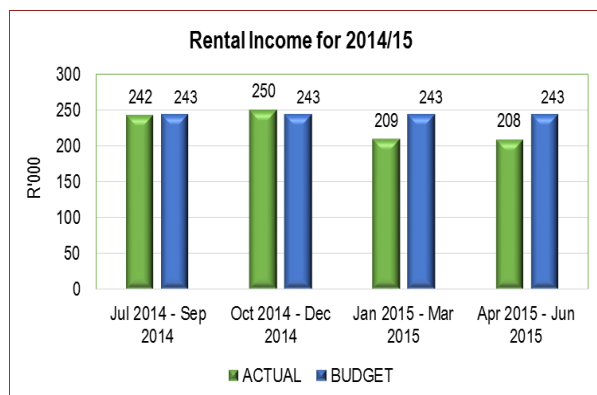
MONTH	AMOUNT (R)
July 2014	25 598 301
August 2014	24 909 881
September 2014	26 019 355
October 2014	28 988 195
November 2014	28 669 982
December 2014	25 819 056
January 2015	22 168 911
February 2015	22 105 687
March 2015	25 430 467
April 2015	23 442 561
May 2015	22 720 182
June 2015	21 596 025
<b>TOTAL</b>	<b>297 468 602</b>

## Market Commission



QUARTER	ACTUAL R	BUDGET R
Jul 2014 - Sep 2014	3 826 335	3 500 668
Oct 2014 - Dec 2014	4 173 847	3 500 668
Jan 2015 - Mar 2015	3 485 254	3 500 668
Apr 2015 - Jun 2015	3 387 938	3 500 668
<b>TOTAL</b>	<b>14 873 374</b>	<b>14 002 670</b>

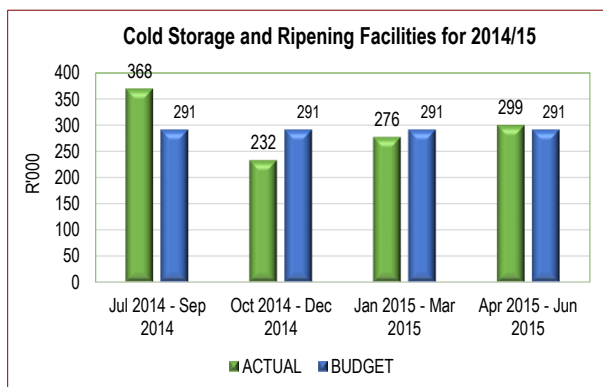
## Rental Income



QUARTER	ACTUAL R	BUDGET R
Jul 2014 - Sep 2014	242 005	243 165
Oct 2014 - Dec 2014	250 552	243 165
Jan 2015 - Mar 2015	209 552	243 165
Apr 2015 - Jun 2015	208 657	243 165
<b>TOTAL</b>	<b>910 766</b>	<b>972 660</b>

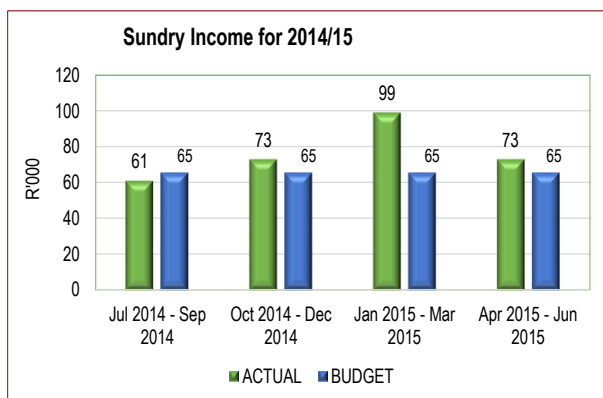
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## Cold Storage & Ripening Facilities



QUARTER	ACTUAL R	BUDGET R
Jul 2014 - Sep 2014	368 124	291 418
Oct 2014 - Dec 2014	232 474	291 418
Jan 2015 - Mar 2015	276 247	291 418
Apr 2015 - Jun 2015	299 331	291 418
<b>TOTAL</b>	<b>1 176 176</b>	<b>1 165 670</b>

## Sundry Income

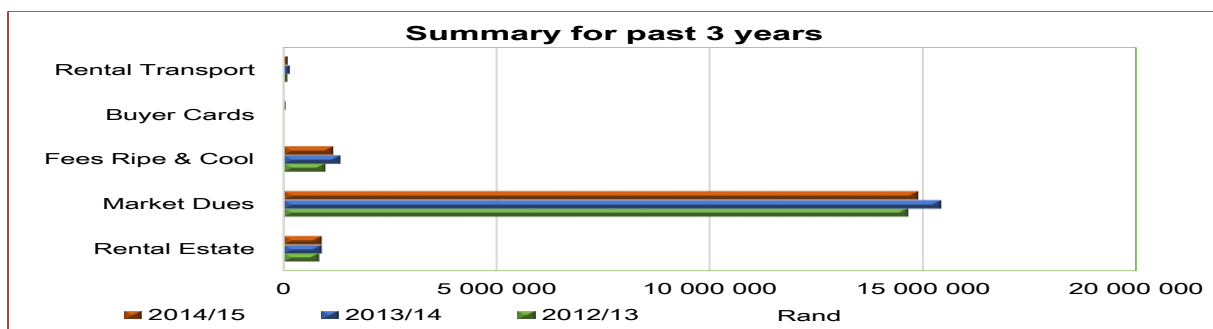


QUARTER	ACTUAL R	BUDGET R
Jul 2014 - Sep 2014	61 038	65 058
Oct 2014 - Dec 2014	73 642	65 058
Jan 2015 - Mar 2015	99 821	65 058
Apr 2015 - Jun 2015	73 826	65 058
<b>TOTAL</b>	<b>308 327</b>	<b>260 230</b>

Sundry income includes trolley rental, surplus cash, commission on levies, selling transactions, buyer card and interest bank. The total Sundry Income for 2014 / 2015 was R308 327.

## FRESH PRODUCE MARKET: SUMMARY

INDICATOR	2012/13 R	2013/14 R	2014/15 R
Rental Estate	847 976	907 020	910 766
Market Dues	14 638 113	15 418 449	14 873 374
Fees Ripe & Cool	994 838	1 349 162	1 176 176
Buyer Cards	3 473	4 693	65 969
Rental Transport	107 868	159 760	116 359



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## EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	4	5	4	1	20%
7 - 9	0	0	0	0	0%
10 - 12	10	11	10	1	9%
13 - 15	9	9	8	1	11%
16 - 18	4	4	4	0	0%
19 - 20	14	14	13	1	7%
<b>Total</b>	<b>42</b>	<b>44</b>	<b>40</b>	<b>4</b>	<b>9%</b>

### COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

Out of the total of 18 National Fresh Produce Markets in South Africa, Klerksdorp National Fresh Produce Market was rated 8<sup>th</sup> position with a total turnover of **R297 468 602** in June 2015.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries, museums, arts and culture and cemeteries.

### 3.12 LIBRARIES, MUSEUMS, ARTS AND CULTURE

#### INTRODUCTION TO LIBRARIES

The Library Service strives to provide educational support for those who endeavour to better their quality of life through enhancing their qualifications and skills, to provide a quality library service to those who seek the companionship of books and literature and to cultivate a culture of reading and learning amongst the children of our communities with the ultimate view to establish a vehicle for sustaining lifelong education and enhancing of reading skills.

The libraries provide educational programmes and library awareness programmes for adults and children, book lending services, study facilities, photocopy services and free public internet access is available at most of Council's libraries. Library users are assisted to find information they need for assignments, research and general knowledge as part of our reference service and educational toys are available at most of Council's libraries. The Library Service will always strive to provide free services to our communities to improve the quality of life for those that are living in poverty.

#### SERVICE STATISTICS FOR THE LIBRARIES

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INDICATOR	2012/13	2013/14	2014/15
<b>Educational Programmes</b>			
➤ Library awareness programmes	164	118	222
➤ Library interest events	11	40	53
➤ Programmes attended by youth and adults	-	-	7 385
➤ Photocopies made	-	-	916 666
➤ Books and items circulated	-	-	328 527
➤ Enquiries	-	-	25 965

The following libraries are available in the KOSH area:

Alabama Library	018 4878681
Hartbeesfontein Library	018 4878694
Kanana Library	018 487 8970
Khuma Library	018 487 8652
Klerksdorp Library	018 487 8399
Manzilpark Library	018 487 8685
Matlosane Library	018 465 3030
Orkney Library	018 487 8210
Rebecca N. Thulo Library (Ext. 8 Khuma)	018 487 8660
Stilfontein Library	018 487 8292
Tigane Library	018 487 8891
Umuzimuhle Library (Vaal Reefs)	018 487 8237

## COMMENT ON THE PERFORMANCE OF LIBRARIES

The DORA grant to the amount of R400 000 to address shortcomings at various libraries was spent *inter alia* on repairs to furniture, stationary & magnetic book strips, awareness projects, re-upholstery of chairs, purchasing of chairs and equipment, training and burglar proofing of Rebecca N Thulo library.

The use of libraries for the photocopy service that is provided is in high demand. Library awareness programmes and library outreach programmes are held to encourage the community to make use of their libraries and the services that are offered. Adult programmes are presented to promote arts and crafts and book clubs are encouraged and supported to promote reading and enhancing of reading skills.

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**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 148)**

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To address shortcomings by improved library services and maintenance	Shortcomings at various libraries improved according to the approved project business plan	Architectural plans for car port drawn up R8 941	R1 030 844 CC 47/2014 dated 15 April 2014	Improving shortcomings at various libraries according to the approved project business plan at a cost of R400 000 by June 2015	R235 000	Various purchases and (Summary of expenditure available at main library) R202 471	-

# Chapter 3

## INTRODUCTION TO MUSEUMS

The Museums and Heritage Section manages, maintain and render access to the Main Museum housed in the old Jail, the House Museum, four Freedom Squares, Goudkoppie Heritage Hill and the heritage significant aspects of the Old Cemetery. The operations program has the core functions of collecting, preserving, documenting and interpreting collections and heritage resources in ways that reflect the diversity and values of a democratic society.

This section's aim is to create an environment that encourages innovation and creativity and to grow a generation of museum and heritage supporters with an embedded understanding of the importance of culture as the lifeblood of our nation and an essential part of humanity.

The museums and heritage sites are places of memory of our ancestors, spaces in which to claim history and places of discussion

## SERVICE STATISTICS FOR THE MUSEUM

INDICATOR	2012/13	2013/14	2014/15	COST (R)
<b>MUSEUM EDUCATION</b>				
➤ Education programmes presented	95	101	99	3 105
➤ Lifelong learning classes presented	32	34	36	6 000
<b>MUSEUM COLLECTIONS</b>				
➤ Maintenance & care of objects	820	998	2 000	-
➤ Digitised collection documentation	1985	1469	1 323	-
<b>MUSEUM EXHIBITIONS</b>				
➤ Temporary exhibitions presented	10	8	-	-
➤ Existing exhibitions maintained	16	22	6	24 828
➤ Topics researched	3	3	21	4 940
<b>COMMUNITY PARTICIPATION</b>				
➤ Meetings held with support groups	10	10	22	-
➤ Consultation sessions	88	100	106	-
<b>HERITAGE AWARENESS</b>				
➤ Heritage awareness events	12	10	10	64 613

## EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES, MUSEUM, ARTS AND CULTURE					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	2	3	2	1	33%
7 - 9	8	9	6	3	33%
10 - 12	13	14	13	1	7%
13 - 15	40	43	41	2	5%
16 - 18	12	15	14	1	7%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>78</b>	<b>87</b>	<b>79</b>	<b>8</b>	<b>9%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2014/15: LIBRARY AND MUSEUM SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>920</b>	<b>979</b>	<b>1 045</b>	<b>783</b>	<b>-25%</b>
Expenditure					
Employees	12 739	13 867	13 506	13 531	-2%
Repairs and maintenance	366	813	288	206	-295%
Other	2 264	20 027	19 729	15 823	-27%
<b>Total Operational Expenditure</b>	<b>15 369</b>	<b>34 707</b>	<b>33 523</b>	<b>29 560</b>	<b>-17%</b>
<b>Net Operational Expenditure</b>	<b>-14 449</b>	<b>-33 728</b>	<b>-32 478</b>	<b>-28 778</b>	<b>-17%</b>

## COMMENT ON THE PERFORMANCE OF THE MUSEUM

During the reporting period the section provided information to the public in general and education to learners about the collections and heritage resources and the roles that these play in the promotion of our city's and country's heritage. Knowledge was promoted through 99 educational enrichment programs tailored to specific audiences. The programs for learners were supplement and aligned with the education curriculum at schools. The Living Heritage cultural program was the most popular amongst the learners.

Visitor numbers increased with 10.2% from 15 039 during the previous reporting period to 16 583 during 2014/15.

The Section promotes reconciliation, unity and the development of a national and local identity by creating conditions for mutual understanding of diverse societies. To this end 10 heritage awareness programs and 6 temporary exhibitions were presented. The National Heritage Month Celebration at the James Motlatsi Stadium when the Acting President, Mr Cyril Ramaphosa addressed the nation was undoubtedly the highlight of the year. Other significant events were the Yarn Festival, the annual Mampoor Festival and the Memorial Service for victims of the forced removals of the previous dispensation.

The temporary exhibitions redress in terms of inclusivity and multiple narratives and testified to how we proactively connect with our visitors. Music continues to be a medium which illuminates both past and present issues – we have hosted the International African Music exhibition to enhance visitor experience through engagement with indigenous musical heritage. As 2014 marked the international centenary celebrations of the outbreak of World War One, a set of exhibition panels showcasing the horrors of the war and the significant role played in this war by South Africans and citizens of the greater KOSH area of all ethnic groups was exhibited at the museum in honour of the sons of our city who paid the ultimate price during this war.

Collection management, especially the digitisation and preservation of collections as a lasting resource reflecting and defining our indigenous heritage remained an on-going task.

The health and safety of staff members and visitors and the safeguarding of collections and assets are a priority. Registers were regularly completed and disaster preparedness was cultivated through first aid and fire fighting training. Evacuation drills were also undertaken with the result that during the August 2014 earthquake, staff members remained calm amidst huge sandstones tumbling to the ground.

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The main museum, house museum, museum site buildings, several structures at Goudkoppie Heritage Hill and the Memorial in the Old Cemetery suffered extensive damage during the August 2014 earthquake. The Statue commemorating soldiers participating in WWI and WWII toppled from its plinth and broke into several pieces. Restoration commenced in May 2015. The statue, the Memorial in the Old Cemetery and most of the damage to the buildings at the Museum and Goudkoppie has been repaired while only a few minor repairs remain.

The sustainability of museums and heritage resources is at risk due to aging infrastructure, the proliferation of competing entertainment and the lack of investment in heritage tourism infrastructure.

## 3.13 CEMETERIES

### INTRODUCTION TO CEMETERIES

The City of Matlosana is responsible to manage and maintain 25 cemeteries with a surface footprint of  $\pm$  500 hectares. The management entails the administration of burials as well as the operational aspects dealing with the preparation of graves and cemetery maintenance. The crematorium is owned and managed by private entities.

The top three priorities for the section are:

- Rendering affordable quality burial services.
- Providing for future burial needs of the community by planning and developing new cemeteries.
- Cemetery maintenance.

### SERVICE STATISTICS FOR CEMETERIES

INDICATOR	2012/13	2013/14	2014/15
CEMETERIES			
➤ Burials	3 458	3 262	3 285
* Adults	2 726	2 512	2 899
* Children	381	368	394
* Re-openings	351	382	462
➤ Memorials	1 088	1 046	878
Expenditure	R10 755 789	R10 730 300	R10 970 024
Income	R1 330 016	R1 446 248	R1 390 143

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## EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	12	13	10	3	23%
13 - 15	5	5	3	2	40%
16 - 18	5	5	4	1	20%
19 - 20	35	37	34	3	8%
<b>Total</b>	<b>60</b>	<b>63</b>	<b>54</b>	<b>9</b>	<b>14%</b>

FINANCIAL PERFORMANCE 2014/15: CEMETERIES					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>1 446</b>	<b>1 710</b>	<b>1 564</b>	<b>1 390</b>	<b>-23%</b>
Expenditure					
Employees	8 629	9 331	9 631	8 950	-4%
Repairs and maintenance	418	657	672	285	-131%
Other	1 683	1 826	2 478	1 735	-5%
<b>Total Operational Expenditure</b>	<b>10 730</b>	<b>11 814</b>	<b>12 781</b>	<b>10 970</b>	<b>-8%</b>
<b>Net Operational Expenditure</b>	<b>-9 284</b>	<b>-10 104</b>	<b>-11 217</b>	<b>-9 580</b>	<b>-5%</b>

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## OBJECTIVES TAKEN FROM IDP

CEMETERIES SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To upgrade Jouberton and Kanana cemetery to enhance access and service delivery	Km of access road constructed at Jouberton central cemetery and km of access roads constructed at the Kanana cemetery	New project	Project 90% completed R2 643 531	Constructing 1km access road at Jouberton central cemetery and 0.65km access roads at Kanana cemetery at a cost of R1 111 239 by December 2014	-	Surfacing of roads and 1km access road completed R1 004 665	-
To construct access roads at Tigane cemetery to enhance service delivery	Km of access roads constructed at Tigane cemetery	New project	Construction phase R808 533	Constructing 0.5km access road at Tigane cemetery at a cost of R2 995 887 by December 2014	-	0.5 Km access road at Tigane cemetery completed R2 597 884	-

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## COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

Planning commenced for the new Alabama cemetery north of extension 3.

### Challenges

- Challenges exist with old equipment which cannot keep up with the rate of burials – equipment is old and breaks frequently which cause crises intervention more often.
- Fleet management need to be improved.
- Difficulty to increase staff due to financial constraints.

Measures taken to address the challenges indicated:

- Promotion of alternative burial methods such as cremation.
- Duplicate burials.
- The poor communities were assisted by developing new cemeteries in close proximity to reduce costs in transport and development of infrastructure.
- New tariffs were contained to make burials affordable.
- Provision is made for pauper burials.

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes Parks, Faan Meintjes Nature Reserve and Aerodrome.

### 3.14 PARKS, FAAN MEINTJES NATURE RESERVE AND AERODROME

#### INTRODUCTION TO BIODIVERSITY AND LANDSCAPE

##### ➤ Parks

The Parks and Development Section aims to manage and develop a pleasing, aesthetic and effective environment to aid in the well-being of the residents in our community.

The mega park development next to the N12 and Jabulani corridor landscape will commence soon as all processes were approved by national treasury.

The extension of the N12 beatification will continue towards the new Matlosana Mall from the Wimpy funded by Dr Kenneth Kaunda District Municipality.

The annual arbor event benefitted a Jouberton school and various incentives all over the region have contributed to awareness of greening of communities.

Gras cutting operations is under severe pressure due to equipment and staff shortages. All teams are consolidated and work in one team as a “garden services”

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The three top priority delivery areas are to

- \* improve the surrounding environment within the community an urban spaces in regard to the greening thereof;
- \* maintain this created enironment in an effettive and productive manner, with emphasis on cost-effectiveness; and
- \* promote environmental awareness and the preservation of biodiversity to create a sustainable planet.

## ➤ Faan Meintjes

The objective of the nature reserve is to render an environmental education service to the community and to promote local tourism in the region.

Once the educational centre is operational, it will benefit the community in the following ways:

- \* Educate the community (emphasis on schools).
- \* Create jobs for SMME's (tour guides, catering, transport etc).
- \* Promote local tourism.
- \* Attract future investment.

## SERVICE STATISTICS FOR PARKS, FAAN MEINTJES AND AERODROME

INDICATOR	2012/13	2013/14	2014/15
<b>AERODROME</b>			
➤ Aerodrome – cut grass	2	1	1
<b>Expenditure</b>	R 3 720	R 3 720	R 5 137
<b>NATURE RESERVE</b>			
➤ Day visitors	3 576	4 622	4 490
➤ Vehicles / Buses	1 248	1 339	1 298
➤ Accommodation and functions	411	589	451
<b>Expenditure</b>	R 1 008 397	R 959 956	R 728 615
<b>Income</b>	R 233 513	R 1 044 616*	R 290 346
<b>TREES</b>			
➤ Trimmed	4 155	4 574	3 846
<b>AUCTION KRAALS</b>			
➤ Total auctions	52	52	49

\* Include surplus game sold

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## EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE , ORKNEY VAAL & AERODROME					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	8	10	8	2	20%
10 - 12	10	11	9	2	18%
13 - 15	35	39	34	5	13%
16 - 18	28	30	25	5	17%
19 - 20	112	126	108	18	14%
<b>Total</b>	<b>196</b>	<b>219</b>	<b>187</b>	<b>32</b>	<b>17%</b>

FINANCIAL PERFORMANCE 2014/15: PARKS, FAAN MEINTJES NATURE RESERVE , ORKNEY VAAL AND AERODROME					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>2 674</b>	<b>2 699</b>	<b>2 242</b>	<b>2 941</b>	<b>8%</b>
Expenditure					
Employees	29 377	32 798	31 518	30 598	-7%
Repairs and maintenance	2 292	4 433	4 162	2 474	-79%
Other	8 359	6 302	8 358	8 220	23%
<b>Total Operational Expenditure</b>	<b>40 028</b>	<b>43 533</b>	<b>44 038</b>	<b>41 292</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>-37 354</b>	<b>-40 834</b>	<b>-41 796</b>	<b>-38 351</b>	<b>-6%</b>

### COMMENTS ON THE PERFORMANCE OF BIODIVERSITY AND LANDSCAPE OVERALL

Comments on performance of biodiversity great emphasis is placed on creating awareness amongst communities on the need to preserve and green up the environment. Arbour events is the ideal tool to promote greening..

## COMPONENT F: HEALTH

### 3.15 OCCUPATIONAL HEALTH CENTRE

#### INTRODUCTION TO OCCUPATIONAL HEALTH CENTRE

The National Health Act, 61 of 1993 section 25 and 32 respectively clearly stipulates the functions of the Provincial Health on the rendering of Primary Health Centre services and the role that Municipalities have to play in this regard, only district and metropolitan municipalities are legally bound to render such services.

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The City of Matlosana as law abiding institutions abided the latter hence the employees that remained as and when provincialisation was not unfolding, were fused within the municipal departments and the professional nurses were consequently utilised in establishing an Occupational Health Centre as there was a need for such.

During the devolution of the Environmental Health Services, the function of the management and processing of the indigent pauper burials had to continue as per Regulation 636, sections 11, 30, 32, 34 and 35 of the National Health Act, 61 of 1993 and since it was done by this unit we then inherited and continued with it.

## Challenges

- The fusing of non-professional employees into other municipal departments was an enormous task with the assistance of Human Resources Performance Management.
- Requesting the budget for the new Occupational Health Unit had to go through a lot of scrutiny to clarify the legality and sustainability thereof.
- Occupational Health is still a new concept within the municipality sphere.
- Currently the unit is placed at Community Services which is actually a human resource function and with the review of the organogram it will help the smooth running and even the proper building of a structure for such a purpose as it is the case with other benchmarked municipalities.

## Aims of Occupational Health Services as formulated by the World Health Organisation are to :

- protect workers from hazards at work (protection and prevention principle);
- adapt work and the work environment to the capabilities of workers (adaptation principle);
- enhance the physical, mental and social well-being of workers (health-promotion principle) as well as their ability to conduct a socially and economically productive life;
- minimise the consequences of occupational hazards, accidents and injuries and occupational and work-related diseases (the cure and rehabilitation principle); and
- provide general health-care services for workers and their families, both curative and preventive, at the workplace (the primary health-care principle).

## KPA's of an Occupational Health Service

- Health promotions.
- Injury on duty administration.
- Medical surveillance of employees.
- Pre-employment, periodical and exit medical examinations.
- Fitness for work / duty assessments.
- Primary medical care of employees and injuries on duty.
- HIV care / disease management.
- Medical evaluation of employees.
- Work incapacity or disability.
- Recurrent sick leave.
- Re-integration and rehabilitation of sick employees.
- On-the-shop floor occupational health monitoring.

# Chapter 3

## SERVICE STATISTICS FOR THE OCCUPATIONAL HEALTH CENTRE

SERVICE STATISTICS			
Service Data Statistics	2012/13	2013/14	2014/15
Head count to the centre	1 447	1 330	1 329
Meetings	17	10	30
Hepatitis vaccinations	25	106	-
Health promotions	73	0	3
Flu vaccinations	144	10	72
HIV / AIDS Statistics	2012/13	2013/14	2014/15
Screened	178	135	103
Counselled	169	135	103
Tested	132	48	69
Non-reactive	117	39	34
Reactive	7	6	1
Referred for ARV	4	3	1
Blood samples taken	16	6	3
On treatment	10	18	15
TB Statistics	2012/13	2013/14	2014/15
Screened	34	67	39
Sputum collected	22	47	35
Negative	15	44	30
Positive	5	3	5
Referred to clinic	3	3	5
Family Planning	2012/13	2013/14	2014/15
Injectable	111	185	219
Oral contraceptives	171	99	98
Male condoms (departments)	12 780	1 931	1420
Female condoms	439	78	57
Pap smears	16	2	1
Implant	-	-	1
CHRONIC DISEASES			
HBP / DIABETIC	2012/13	2013/14	2014/15
Total patients seen	459	122	271
New diagnosis	50	4	60
Ref /treatment	8	6	29
Ref to doctor	3	2	5
Ref to hospital	13	2	3
Uncontrolled	22	8	3
On treatment	121	77	60
Defaulter	2	4	3
MENTAL ILLNESS / EPILEPSY	2012/13	2013/14	2014/15
Total patients seen	10	2	476
New diagnosis	2	0	29
Ref /treatment	0	0	8

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Ref to doctor	0	0	3
Ref to hospital	1	1	1
Uncontrolled	0	0	0
On treatment	3	2	6
<b>MINOR AILMENTS</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Total patients seen	726	290	476
New diagnosis	94	8	29
Ref /treatment	9	6	8
Ref to doctor	4	3	3
Ref to hospital	14	2	1
Uncontrolled	0	4	0
On treatment	0	2	6
<b>INJURY ON DUTY</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Total patients seen	16	38	24
New diagnosis	0	21	24
Ref /treatment	0	0	-
Ref to doctor	0	0	-
Ref to hospital	8	21	20

## REPORT ON INDIGENT / PAUPER BURIALS

INDICATOR	2012/13	2012/13	2014/15	COST (R)
<b>Indigents</b>				
➤ Adults	106	84	65	189 601
➤ Children	5	3	4	6 888
➤ Babies	49	35	21	19 922
<b>Paupers</b>				
➤ Adults	5	16	5	14 005
➤ Babies	2	3	0	0
➤ Oversize coffin	0	2	0	0
<b>Expenditure</b>	<b>R356 135</b>	<b>R336 605</b>		<b>R230 416</b>

## REPORT ON INJURY ON DUTIES 2014/15

Request for re-opening of file = 0

New accidents/incidents reported = 56

Final medical reports / resumption reports = 45

Fatal claims = 0

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## EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	3	4	3	1	25%
7 - 9	3	3	3	0	0%
10 - 12	1	2	1	1	50%
13 - 15	4	5	4	1	20%
16 - 18	0	0	0	0	0%
19 - 20	1	1	1	0	0%
<b>Total</b>	<b>13</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>19%</b>

FINANCIAL PERFORMANCE 2014/15: HEALTH AND OCCUPATIONAL HEALTH CENTRE					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>29</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditure					
Employees	3 654	4 718	3 862	3 882	-22%
Repairs and maintenance	6	26	8	5	-420%
Other	752	1 390	553	464	-200%
<b>Total Operational Expenditure</b>	<b>4 412</b>	<b>6 134</b>	<b>4 423</b>	<b>4 351</b>	<b>-41%</b>
<b>Net Operational Expenditure</b>	<b>-4 383</b>	<b>-6 069</b>	<b>-4 423</b>	<b>-4 351</b>	<b>-39%</b>

## COMPONENT G: SECURITY AND SAFETY

This component includes: Traffic, Security, Municipal Court, Fire Services and Disaster Management.

### 3.16 TRAFFIC, SECURITY AND MUNICIPAL COURT

#### INTRODUCTION TO TRAFFIC AND MUNICIPAL COURT

The Provincial Inspectorate from the Office of the MEC for Public Safety and Transport is the one responsible for day to day monitoring and evaluation of their traffic inspectorate and local traffic departments and communities are fully supported by the Office of the MEC.

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The aim of the section is to;

- promote road traffic safety throughout the KOSH area in order to reduce road accidents;
- fatalities and injuries;
- combat road traffic offences that contribute to accidents and to safeguard; and
- secure council assets so as to combat theft within the municipality.

The following key functions were performed in the Section:

- Road safety campaigns were conducted resulted in a total of 36 road safety campaigns conducted in the 2014/2015 financial year.
- Road blocks were held to ensure road safety and free traffic flow and 15 road blocks were held within the KOSH area in conjunction with the SAPS and Provincial Traffic.
- Administration logistics: an income of R1 832 920 was generated during the 2014/2015 financial year.
- Serving of warrants: an income of R530 100 was generated during the 2014/2015 financial year.

TRAFFIC SERVICE DATA				
Details	2012/13	2013/14	2014/15	
	Actual No		Estimated No	Actual No
Number of road traffic accidents during the year	2 649	3 080	4 000	3 916
Number of by-law infringements attended	13 381	26 966	10 000	8 846
Number of police officers in the field on an average day	43	43	43	44
Number of police officers on duty on an average day	55	56	60	60

## SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES

STATISTICS	2012/13	2013/14	2014/15
<b>Traffic Violations</b>			
Section 56 Summonses			
➤ Speed	1 680	2 576	-
➤ Other	10 713	11 221	9 518
Section 341 Notices			
➤ Other parking offences	6 900	7 829	8 846
➤ Cameras: speed and robot	37 423	100 463	28 004
<b>TOTAL</b>	<b>56 715</b>	<b>139 704</b>	<b>46 368</b>
<b>Total income from Traffic Court</b>			
➤ Admission of guilt paid (criminal)	168 550	108 400	142 650
➤ Court fines	340 800	557 300	165 150
➤ Provincial court fines	18 400	4 050	126 503
<b>TOTAL</b>	<b>427 750</b>	<b>70 7900</b>	<b>434 303</b>
<b>Summons issued</b>			
Section 56 Summonses issued – traffic officers			
➤ Speed	1 680	2 576	0
➤ Other	10 713	11 221	9 518

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Summonses issued – unpaid Section 341 Notices	0	14 231	0
<b>TOTAL</b>	<b>12 393</b>	<b>28 028</b>	<b>9 518</b>
<b>Cases withdrawn by senior public prosecutor as a result of representations</b>			
➤ Section 56 Summonses	255	834	136
➤ Section 341 Notices	483	2 026	292
➤ Camera cases	834	2 715	879
<b>TOTAL</b>	<b>1 572</b>	<b>5 575</b>	<b>1 307</b>
<b>Admission of guilt</b>			
Magistrate's Court	398 300	905 160	308 800
Matlosana Traffic Court			
➤ Contempt of court	349 300	334 350	139 800
➤ Warrants of arrest	984 000	707 080	530 100
➤ Easy Pay	286 150	2 897 070	-
At Traffic Department			
➤ Section 56 summonses	1 974 700	3 844 372	854 220
➤ Section 341 Notices	1 300	323 115	-
<b>TOTAL</b>	<b>9 993 750</b>	<b>9 011 147</b>	<b>1 832 920</b>
<b>Total income per annum</b>			
Traffic fines	2 979 858	9 011 147	1 832 920
➤ Accident reports	14 919	17 661	10 142
➤ Income from parking grounds	401	124 414	0
➤ Escort fees			
* Abnormal loads	0	1 764	2 394
* Fun runs / road races / cycle races / temporary closing of streets	206 332	19 723	0
➤ Temporary closing of streets	0	0	96 858
<b>TOTAL INCOME</b>	<b>3 201 509</b>	<b>9 282 888</b>	<b>1 942 314</b>
<b>Arrests (driving while under the influence of intoxicating liquor)</b>			
➤ Males	511	718	447
➤ Females	6	7	0
<b>TOTAL</b>	<b>517</b>	<b>725</b>	<b>447</b>
<b>Escorts / special services rendered</b>			
➤ Abnormal loads	318	252	231
➤ Funerals	299	351	259
➤ Fun runs / road race / cycle races	19	8	12
➤ Street festival	1	1	1
➤ Street braai / street closure	48	111	50
<b>TOTAL</b>	<b>685</b>	<b>723</b>	<b>553</b>

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## EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	16	16	15	1	6%
10 - 12	51	62	59	3	5%
13 - 15	21	13	13	0	0%
16 - 18	25	27	23	4	15%
19 - 20	49	52	46	6	12%
<b>Total</b>	<b>167</b>	<b>175</b>	<b>161</b>	<b>14</b>	<b>8%</b>

FINANCIAL PERFORMANCE 2014/15: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>4 588</b>	<b>5 377</b>	<b>1 990</b>	<b>5 440</b>	<b>1%</b>
<b>Expenditure</b>					
Employees	30 223	37 513	34 764	31 538	-19%
Repairs and maintenance	1 159	2 879	2 137	1 139	-153%
Other	24 192	26 623	28 765	22 558	-18%
<b>Total Operational Expenditure</b>	<b>55 574</b>	<b>67 015</b>	<b>65 666</b>	<b>55 235</b>	<b>-21%</b>
<b>Net Operational Expenditure</b>	<b>-50 986</b>	<b>-61 638</b>	<b>-63 676</b>	<b>-49 795</b>	<b>-24%</b>

## 3.17 FIRE AND DISASTER MANAGEMENT

### INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

The section fully supports the vision and mission of Council in an attempt to become one of the leading sections in the municipality and the best brigade in the Province.

### FIRE SERVICES

#### Service delivery priorities:

- To be in a position to respond to all recorded incidents and further complement the purpose of the service as per Fire Brigade Act (Act No 99 of 1987) and also to be pro-active in terms of Fire Safety inspections as well as a timeously response to complaints.

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- The section accommodates all wards and recently works closely with ward councillors to secure communities about our purpose and general fire information.
- Currently the section also focus on Law Enforcement in collaboration with other stakeholders such as the SAPS, Environmental health, Licencing, Traffic, Electrical, Home Affairs and SARS.

## Major efficiencies achieved:

- The section was honoured by Engen with the donation of a water tanker for assistance in areas where there are no hydrants.
- The municipality sourced funding from the province in the form of a fire grant to the value of R2 200 000 to be utilised to procure a rescue vehicle and also to refurbish the donated tanker from Engen.

## SERVICE STATISTICS FOR FIRE SERVICES

FIRE SERVICE DATA				
Details	2012/13	2013/14	2014/15	
	Actual No	Actual No	Estimate No	Actual No
Total fires attended in the year	300	747	400	691
Total of other incidents attended in the year	7 000	4 522	5000	3316
Average turnout time - urban areas	3 to 5 min	3 to 5 min	3 to 5 min	3 to 5 min
Average turnout time - rural areas	7 to 10 min	7 to 10 min	7 to 10 min	7 to 10 min
Fire fighters in post at year end	58	56	80	56
Total fire appliances at year end	11	8	15	6
Average number of appliance off the road during the year	-	7	4 to 6	9

DESCRIPTION	2012/13	2013/14	2014/15
Fire suppression	239	267	273
Public education	19	19	13
Building plans	1 177	1 074	978
Site inspections – new	15	37	25
Site inspections – re-inspections	7	8	4
Flammable liquid registrations	109	126	86
Fire hydrant maintenance/inspection	2 050	505	31
Grass fires	454	480	411
Training	9	15	0
Trade licences	429	193	167
Transport permits	425	389	243
Complaints	3	2	1
Pre-burn inspections	0	7	6
Pre-burns	18	11	7
Rescues	178	163	155
Building inspections	1 069	749	916
People trained	669	215	1 872

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## DISASTER MANAGEMENT

The Disaster management competency is getting full political support and councillors wait to see Disaster Risk management come to its fullest potential.

Currently there are only two (2) officials doing Disaster Risk management of which a proposed organogram was submitted to Council for approval.

The unit focus on preventative measures in the form of CBDRA's (Community base Disaster Risk Assessments) and recommendations to relevant sections and institutions.

Currently we co-ordinate and liaise with the relevant sections in an attempt to assist the communities in all thirty five (35) municipal wards.

There are serious interventions of which the section possesses a MAYCO Resolution for the establishment of a fully functional Disaster Risk Management Centre of which a post level 3 was recommended for the head of the Local Disaster Risk Management Centre. The sub-unit (DRM) really struggle with one official who is trying his best to be all over and it cannot carry on like this.

The municipality is currently assisting with blankets & mattresses and capturing of incidents.

## SERVICE STATISTICS FOR DISASTER MANAGEMENT

DESCRIPTION	2013/14	2014/15	DESCRIPTION	2013/14	2014/15
Number of events	36	38	Public information, education and relation	12	16
Social Relief (Fire)	75	74			
Explosion	1	1	Blankets	295	183
Fatalities	2	4	Mattresses	162	122

## EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	0	0	0%
4 - 6	4	4	4	0	0%
7 - 9	20	25	20	5	20%
10 - 12	9	23	8	15	65%
13 - 15	39	39	37	2	5%
16 - 18	1	1	1	0	0%
19 - 20	5	5	5	0	0%
<b>Total</b>	<b>79</b>	<b>98</b>	<b>76</b>	<b>22</b>	<b>22%</b>

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FINANCIAL PERFORMANCE 2014/15: FIRE AND DISASTER MANAGEMENT					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>240</b>	<b>307</b>	<b>281</b>	<b>206</b>	<b>-49%</b>
Expenditure					
Employees	23 768	16 331	22 959	22 870	29%
Repairs and maintenance	828	1 323	1 282	880	-50%
Other	3 806	10 006	2 672	4 721	-112%
<b>Total Operational Expenditure</b>	<b>28 402</b>	<b>27 660</b>	<b>26 913</b>	<b>28 471</b>	<b>3%</b>
<b>Net Operational Expenditure</b>	<b>-28 162</b>	<b>-27 353</b>	<b>-26 632</b>	<b>-28 265</b>	<b>3%</b>

## COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

There were no capital projects for this year.

## COMPONENT H: SPORT AND RECREATION

This component includes: parks; sport fields; sports halls; stadiums and swimming pools.

### 3.18 SPORT AND RECREATION

#### INTRODUCTION TO SPORT AND RECREATION

The Sport and Recreation Section is responsible for establishing a positive attitude in the community towards sport and recreation and to encourage greater community involvement and interest in sport and recreation.

The main service delivery priorities are:

- Maintenance and preparation of all sports facilities;
- Promotion of sport events by good administration of the section;
- Maintenance and preparation of all sports facilities; and
- Improve the maintenance standard.

The preparation and maintenance of 28 sport complexes, including the Oppenheimer Stadium, remains a huge challenge. Sport facilities include:

- Sport stadiums;
- Swimming pools;
- The golf course was rated the best golf course run by a municipality; and
- Bowling greens.

The section meets every Monday to discuss the works programme and schedule of the week.

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Preparation of facilities before events:

- Preparation of bowling greens, cricket pitches, golf greens and swimming pools.
- Marking fields for events and moving around equipment.
- Purchasing maintenance and cleaning material.
- Obtaining quotations, works orders and other administration, e.g. leave books, orders etc.

The Sport section promotes sport by hosting several events such as:

- Swimming galas;
- World Play Day for Kids;
- June 16 tournament;
- Women in sport event;
- Sport against crime and gangsterism;
- Anti-Xenophobic soccer tournament; and
- Sport merit function.

Our maintenance standard has improved much compared to the previous years. We have attracted interest of premier soccer league teams which they prefer to use our local stadiums such as Matlosana Stadium in Jouberton.

## SERVICE STATISTICS FOR SPORT AND RECREATION

INDICATOR	2012/13	2013/14	2014/15
Swimming Pools			
➤ Gala events	1	1	1
<b>Expenditure</b>	<b>R452 650</b>	<b>R42 531</b>	<b>R50 000</b>
<b>Income</b>	<b>R51 802</b>	<b>R38 201</b>	<b>R43 061</b>
Recreation			
➤ Total major events	5	7	6
<b>Expenditure</b>	<b>R81 756</b>	<b>R195 673</b>	<b>R47 000</b>

## EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	0	1	0	1	100%
7 - 9	3	4	3	1	25%
10 - 12	13	18	14	4	22%
13 - 15	14	15	13	2	13%
16 - 18	12	12	11	1	8%
19 - 20	54	64	53	11	17%
<b>Total</b>	<b>96</b>	<b>114</b>	<b>94</b>	<b>20</b>	<b>18%</b>

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FINANCIAL PERFORMANCE 2014/15: SPORT AND RECREATION					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>109</b>	<b>535</b>	<b>395</b>	<b>335</b>	<b>-60%</b>
Expenditure					
Employees	14 395	15 882	14 976	14 786	-7%
Repairs and maintenance	3 194	4 681	3 684	2 705	-73%
Other	21 022	42 284	41 396	34 645	-22%
<b>Total Operational Expenditure</b>	<b>38 611</b>	<b>62 847</b>	<b>60 056</b>	<b>52 136</b>	<b>-21%</b>
<b>Net Operational Expenditure</b>	<b>-38 502</b>	<b>-62 312</b>	<b>-59 661</b>	<b>-51 801</b>	<b>-20%</b>

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**OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages (PMU) 143 - 144)**

SPORT AND RECREATION SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2012/13	2013/14	2014/15			2015/16
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To develop a new sport complex in Jouberton	New sport complex in Jouberton developed	New project	Facility 50% completed R2 179 394	Developing a new sport complex in Jouberton as per business plan at cost of R9 588 303 by June 2015		Contractor appointed. Project 60% completed R5 859 201	R3 430
To construct a new brick wall at the Khuma sport complex	M new brick wall at the Khuma sport complex constructed	New project	Project 60% completed R1 091 326	Constructing a new 1466.784m brick wall at the Khuma sport complex as per business plan at cost of R756 869 by June 2015		1 466.784m brick wall constructed. Project 100% completed R515 288	-
To upgrade Brazil sport stadium to maintain aging infrastructure	Brazil sport stadium in Jouberton upgraded as per programme	New project	Project practical completed R4 367 927	Upgrading of the Brazil sport stadium in Jouberton as per business plan at cost of R1 198 265 by June 2015	R665 595	Brazil sport stadium upgraded. Project 100% completed R534 209	-

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices; strategic planning and regulatory; financial services; human resource services; ICT services and property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that a municipality comprises councillors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes.

Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address service delivery matters, the municipality must within limits approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address staff matters and this can only be achieved through a costed organogram that must be cost-effective but also provides sufficient management and other positions in order for the municipality to be able to render effective and satisfactory services.

Management must ensure that tools of the trade are made available to staff. This includes ICT services and networks, including the necessary licences.

In order for the municipality to finance service delivery it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. Payment for services will be covered by payment for rates and taxes and will include proper and sufficient municipal service delivery networks such as water pipes and reservoirs as well as sewer and electrical networks and plant and equipment.

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### 3.19 EXECUTIVE AND COUNCIL

This component includes: the executive office (mayor, councillors and municipal manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 101 of 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal council of the City of Matlosana is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of chapter 12 of the Local Government: Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government and the powers and functions of municipalities are determined in section 156 of the Constitution.

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The executive authority of the Council vests with the Executive Mayor, who must however report to Council and is assisted by the members of the Mayoral Committee established by the Executive Mayor and who may make decisions. However, there are certain matters on which the Executive Mayor as the head of the municipality cannot make decisions, i.e. the approval of the budget, the IDP and by-laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated by Council to the Executive Mayor, who will in turn sub-delegate to the Municipal Manager. The municipal manager may also sub-delegate to directors, who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government to

- (a) provide democratic and accountable government for local communities;
- (b) ensure the provision of services to communities in a sustainable manner; and
- (c) promote social and economic development.

In order to ensure sustainable service delivery to the community, Council sets the top three service delivery priorities as follows in order to achieve good governance levels:

- Risk management;
- internal audit; and
- accounting and auditing.

## SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

DETAIL	2012/13		2013/14		2014/15	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	7	3	6	2	6	1
Corporate Governance	7	1	6	1	6	1
Transversal Issues	7	1	6	0	6	1
Infrastructure	7	0	6	0	6	1
Public Safety	7	0	6	0	6	2
Community and Health Services	7	0	6	0	6	1
Economic Growth and Market	7	0	6	0	6	1
Electrical Engineering	7	0	6	0	6	1
Housing, Land Affairs & Rural Development	7	1	6	6	6	3
Sport, Arts and Culture		2	6	0	6	1

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DETAIL	2012/13	2013/14	2014/15
<b>Section 80 Committee Meetings</b>			
➤ Anglo Gold	5	4	1
➤ Project Monitoring	6	3	3
➤ Heritage Committee	0	0	0
➤ Budget Steering	8	6	4
➤ Audit Committee	5	1	-
➤ Matlosana / ISAGO@N12	3	6	2
➤ IDP Steering Committee	5	6	4

## EMPLOYEE INFORMATION

EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	9	13	7	6	46%
4 - 6	11	16	11	5	31%
7 - 9	3	4	3	1	25%
10 - 12	12	14	10	4	29%
13 - 15	5	5	5	0	0%
16 - 18	3	3	3	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>43</b>	<b>55</b>	<b>39</b>	<b>16</b>	<b>29%</b>

FINANCIAL PERFORMANCE 2014/15: EXECUTIVE AND MUNICIPAL MANAGER					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>2 800</b>	<b>8 802</b>	<b>7 507</b>	<b>2 783</b>	<b>-216%</b>
<b>Expenditure</b>					
Employees	7 417	44 721	43 557	42 908	-4%
Repairs and maintenance	120	227	381	338	33%
Other	14 050	59 433	51 542	70 290	15%
<b>Total Operational Expenditure</b>	<b>21 587</b>	<b>10 4381</b>	<b>95 480</b>	<b>113 536</b>	<b>8%</b>
<b>Net Operational Expenditure</b>	<b>-18 787</b>	<b>-95 579</b>	<b>-87 973</b>	<b>-110 753</b>	<b>14%</b>

## INTERNAL AUDIT

In terms of section 216(1) (c) of the Constitution of the Republic of South Africa, (Act 108 of 1996), national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing uniform treasury norms and standards.

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Good governance involves how an organisation is managed, its organisational culture, policies, strategies and the way it deals with its stakeholders. The internal audit and audit committee provide objective, independent advice to improve oversight, governance and help to mitigate risks.

Working with the internal audit, the audit committee brings different skills and expertise to assist in improving the performance of an institution. The internal audit and audit committee do not assume any management functions nor should management exert any undue influence over the work of the internal audit and audit committee.

## Internal Audit

Section 165 of the MFMA requires that each municipality and each municipal entity must have an internal audit unit. The internal audit unit of a municipality or municipal entity must:

- Prepare a risk based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to
  - \* internal audit;
  - \* internal controls;
  - \* accounting procedures and practices;
  - \* risk and risk management;
  - \* performance management;
  - \* loss control;
  - \* compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
  - \* perform any such other duties as may be assigned to it by the accounting officer.

- The internal audit charter:

The charter outlines the mandate of internal audit and serves as the statement of purpose, authority and responsibility. The charter must be in writing and address the following:

- \* The internal audit's purpose, authority and responsibilities.
- \* The standards to be complied with.
- \* The position of the internal audit within the organisation.
- \* A description of assurance and nature of consulting services.
- \* The period of review of the charter.
- \* The appointment and the dismissal of the chief audit executive
- \* Access to information, properties and personnel.

The charter must be approved by the Audit Committee and accepted by the Accounting Officer.

## Mission of Internal Audit

The mission of internal audit is to provide the accounting officer and audit committee with independent, objective assurance and consulting services designed to add value and improve the organisation's operations. Furthermore it helps the organisation accomplish its objectives by bringing a systematic disciplined approach to evaluating and improving the effectiveness of the risk management, internal control and governance process.

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## Risk Management

The risk management conducts a risk assessment, thereafter compiles a risk assessment report that entails the top 30 high risks based on the operational risks and strategic risks and thereafter submits it to internal audit to prepare a three-year rolling plan and one year risk based plan and performance operational plan.

## Internal Control

Internal audit reviews the adequacy and effectiveness of the internal control through operational risk-based plan based on the top 10 high risks completed within the current financial year.

## Governance Issues

Internal control reviews the effectiveness of the following projects as governance issues:

- Risk Management.
- Records Management.
- IT environment.

## Audit Committee

Section 166 of the MFMA requires that each municipality and municipal entity must have an audit committee. The audit committee must advise the municipal council, the political office bearers, the accounting officer and the management of the municipality or municipal entity on matters relating to

- internal financial control and internal audits;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- effective governance;
- Internal Audit and Audit Committee;
- compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality or municipal entity.

## Audit Committee Charter

The Audit Committee Charter should be published on the municipal website to promote awareness to all stakeholders.

The charter should be reviewed annually and updated to ensure relevance and consistency with the MFMA, Municipal Systems Act (No 32 of 2000) as amended and other related regulations, guides and best practice.

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The charter should be used as a basis for:

- preparing the audit committee's annual work plan;
- setting the agenda for meetings;
- requesting skills and expertise;
- making recommendations to the accounting officer and municipal council;
- assessing the audit committee's performance by its members, municipal council, management, Auditor-General and internal auditors; and
- contributions and participation at meetings.

## EMPLOYEE INFORMATION

EMPLOYEES: INTERNAL AUDIT					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	2	0	0%
4 - 6	3	3	2	1	33%
7 - 9	2	2	1	1	50%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>22%</b>

FINANCIAL PERFORMANCE 2014/15: INTERNAL AUDIT					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0%
Expenditure					
Employees	3 127	3 335	3 451	3 544	6%
Repairs and maintenance	2	47	15	0	0%
Other	500	1 656	980	532	-211%
<b>Total Operational Expenditure</b>	<b>3 629</b>	<b>5 038</b>	<b>4 446</b>	<b>4 076</b>	<b>-24%</b>
<b>Net Operational Expenditure</b>	<b>-3 629</b>	<b>-5 038</b>	<b>-4 446</b>	<b>-4 076</b>	<b>-24%</b>

## 3.20 STRATEGIC PLANNING AND REGULATORY

In today's organisational environment, budget oriented planning or forecast methods are insufficient for the organisation to prosper. There is a need to engage in strategic planning that clearly defines objectives and

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assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes-oriented goals and objectives against which the municipality's medium-term results can be measured and evaluated by various identified stakeholders. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

As a component of its strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems which will produce credible, accurate information on an ongoing basis that gets used to improve service delivery and governance.

## INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY

The directorate comprises of the following units:

- Performance Management.
- Integrated Development Planning.
- Risk Management.
- MPAC.

## PERFORMANCE MANAGEMENT SYSTEMS

Performance management is a process which measures the implementation of the organisation's strategy, as set by Council and targets, as developed as part of a public participation process. Performance management is the central management tool that assists the Council in improving service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensuring that the municipality achieves its strategic objectives.

At local government level performance management is institutionalised through the legislative requirements, most notably the Local Government: Municipal Systems Act 32 of 2000, as amended (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act, 2003 (MFMA) and related Regulations.

It is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor and, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. This system will therefore ensure that all leaders, managers and individuals in the municipality are held accountable for their actions, which should bring about improved service delivery and value for money.

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## Comments on the performance of Performance Management Overall

The Performance Management System implemented at the municipality is intended to provide a comprehensive, step by step planning system that helps the municipality to manage the process of performance planning and measurement effectively. The PMS serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

The performance management policy framework as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels.

The Auditor-General reported that although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, the following matters were raised:

- Material misstatements in the annual performance report submitted for auditing on the reported performance information for Key performance area 1: Service delivery and infrastructure development were identified.
- As management subsequently corrected the misstatements, no material findings on the usefulness and reliability of the reported performance information were raised

During the 2014/15 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. The City of Matlosana has continued to maintain the effective operation of the following processes:

- The 2014/2015 SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies.
- Performance agreements with performance plans were developed, signed and approved by the Administrator as required by the Municipal Performance Regulations, 2006.
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager.
- A mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed.

## INTEGRATED DEVELOPMENT PLANNING

Integrated development planning is the process through which the municipality prepares a strategic developmental plan, which is the principal instrument guiding all planning, management, investment, development and implementation decisions, taking into account inputs from all stakeholders.

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structures. It also integrates and aligns planning in different spheres of government and therefore enforces and upholds the spirit of co-operative governance in the public sector.

The Constitution of the Republic of South Africa (1996) commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, health

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care, education, food, water and social security. The current goal of municipalities is to establish a planning process, which is aimed at the disposal of the imbalances created. Developmental local government can only be realised through integrated development planning and the compilation of an Integrated Development Plan (IDP). Therefore the IDP document of the City of Matlosana and its strategies are aimed at addressing the key national and provincial priorities, the National Development Plan as well as the Millennium Development Goals (MDG's).

The purpose of the integrated development planning is to better the quality of life of the people living within the area of the municipality. It provides the guidelines as to how to use the land within the municipality, which resources to use and how to protect the environment. All strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning, different plans are integrated, co-ordinated and linked to the use of natural-, financial-, human- and physical resources.

We are focused on developing consensus around strategic developmental priorities and are committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

The IDP review itself is mandatory in terms of section 34 of the same legislation referred to above and seeks to induce life into the IDP such that it takes into account the changing priorities and planning outcomes of the City.

This current version represents a third-generation IDP for the City of Matlosana and will remain in force until the completion of the term of office of the current municipal council. It seeks to emulate the previous version, a second-generation IDP that was among the best in the North-West Province.

This document is a product of a broad consultative process which culminated in a successful IDP Representative Forum held on 15 April 2013 where stakeholders confirmed and approved projects for the City of Matlosana. In line with section 41 of the Constitution of the Republic of South Africa, our IDP as reviewed is accordingly informed by and aligned to the developmental priorities of our municipality and the 16 sectoral departments of our district, including some state-owned enterprises and the business community.

The upgrading of water mains in Kanana have been completed together with the upgrading of Sewer outfall line in Jouberton Ext 7, 19 & 24 East but the opening of the new solid waste cell on existing site in Klerksdorp and the Pedestrian Bridge over the N12 is still in progress and consists of various phases.

The major priorities as indicated by our community during the IDP consultation processes are storm-water drainage, sewer and the upgrading and maintenance of infrastructure. The above-mentioned projects were therefore prioritised and are being implemented to address the needs of the community.

## RISK MANAGEMENT

During the period under review, City of Matlosana assessed its risks relative to its strategic and annual performance plans. Both internal and external conditions that may impede the achievement of the goals expressed in the strategic and annual performance plans were identified and evaluated.

Based on the recommendation of the Risk Management Committee, the Accounting Officer approved a risk management strategy to manage the risk factors. The Municipal internal audit plan included audits designed to

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test the adequacy, effectiveness and economy of the internal control systems to counteract the effects of the significant risk factors.

## Impact on institutional performance

During the period under review, the City of Matlosana assessed the effectiveness of its system of risk management. The areas requiring improvement are receiving the required attention. The Municipal risk management efforts are contributing positively to the City of Matlosana's performance. On a residual basis, meaning that after mitigating actions were taken, the Municipality's risk profile based on the main categories of risk is as follows:

RISK CATEGORY	STATUS	
	2014/15	2013/14
Financial management & reporting risks		
Operational risks		
Information communication and technology risks		
Legal risks		
Compliance/Regulatory		

## Key

	High risk
	Moderate risk
	Low risk

The top five risks are outlined as follows:

- Late appointments of Contractors;
- inability to function as a going concern;
- failure to effectively manage escalating debt of council;
- high vacancy rate (both senior management and staff in general); and
- non-compliance with SCM policies and procedures.

## **INTRODUCTION TO MPAC**

The Municipal Public Accounts Committee (MPAC) is a committee of Council established in terms of section 79 of the Municipal Structures Act and Municipal Finance Management Act, section 129 to assist Council to consider the municipality's annual report and produce an oversight report. The functions of the MPAC are aimed at holding the municipal executive and the administration accountable for the implementation of policies and budget.

MPAC is responsible for promoting financial accountability in the municipality as well as examine the financial statements and audit reports of the municipality. Its function should further consider improvements from previous statements, reports and must evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented.

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## COMMENTS ON THE PERFORMANCE OF MPAC OVERALL

Overall performance of MPAC depends on the performance management reports and the annual financial statements. Therefore, cognisance be taken that the annual financial statements and the performance management reports, were finalised late due to outstanding information, hence the committee is unable to express its opinion on the annual performance of the municipality and more importantly so as a result the ambiguous role played by intervention team from the Province in terms of section 139(1) (b) of the Constitution.

## EMPLOYEE INFORMATION

EMPLOYEES: STRATEGIC PLANNING, MONITORING AND CONTROL					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	5	7	5	2	29%
7 - 9	0	0	0	0	0%
10 - 12	1	2	1	1	50%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>7</b>	<b>10</b>	<b>7</b>	<b>3</b>	<b>30%</b>

FINANCIAL PERFORMANCE 2014/15: STRATEGIC PLANNING, MONITORING AND CONTROL					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>1 873</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditure					
Employees	37 795	8 846	8 225	8 360	-19%
Repairs and maintenance	128	66	30	6	-1 000%
Other	18 767	2 203	4 996	717	-32%
<b>Total Operational Expenditure</b>	<b>56 690</b>	<b>11 115</b>	<b>13 251</b>	<b>9 083</b>	<b>-22%</b>
<b>Net Operational Expenditure</b>	<b>-54 817</b>	<b>-11 115</b>	<b>-13 251</b>	<b>-9 083</b>	<b>-22%</b>

## 3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

This directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from Government Fiscal i.e. allocation by government to the municipality to enhance service delivery as

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in MIG and equitable shares. For the municipality to have effective service delivery, budget and IDP processes must be followed so as to ensure public participation to cover all community proposals as regards projects. The directorate develops budget-related policies and by-laws which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council as revenue must also be covered in terms of policy. Internal and external audits will be conducted in order to ensure management of risk and curbing of corruption while encouraging effective customer care and service.

DEBT RECOVERY						
Details of the types of account raised and recovered	2013/14		2014/15		2015/16	
	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year %	Actual for accounts billed in year	Proportion of accounts value billed that was collected %	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that was collected %
Property rates	185 120	90%	227 215	81%	239 939	81%
Electricity – B						
Electricity – C	527 918	79%	539 224	82%	605 495	82%
Water – B						
Water – C	307 557	56%	327 422	56%	360 165	56%
Sanitation	64 254	71%	70 032	68%	73 954	67%
Refuse	66 028	60%	90 881	48%	95 971	48%
Other	198 560	74%	246 572	45%	260 380	47%

- Property rates billed annually has a collection rate of between 78% and 87%
- Electricity billed annually has a collection rate of between 76% and 82% taking into account electricity losses and theft.
- Water billed annually has a collection rate of between 55% and 59% with huge water losses in the municipal area.
- Sanitation billed annually has a collection rate of between 66% and 69%
- Refuse billed has a collection rate of between 47% and 50%
- Other Income – other income depends on the nature of the income. Example: sale of stands.

## SUPPLY CHAIN MANAGEMENT

The Supply Chain Management functions within the municipality have been decentralised. The departments are requesting quotations and compiling preliminary specifications and report for the bid committee. The unit as it is check compliance and facilitate the procurement process until the award stage.

All goods and service procured through the process have an impact on service delivery. The committees within the unit which consist of members from other department ensure the following:-

- Goods or service are procured at correct time.
- Right quality and quantity.

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- Utilising the correct service provider or supplier.

## Challenges

- Decentralisation of the SCM process makes the system biased.
- Lack of office and filing space.
- Delay in the SCM process on the appointment of service provider or suppliers.
- Procurement plan.
- Lack of electronic supplier data-base system – still using manual system.
- Appointments in term of regulation 36 (deviations process).
- Lack of declaration of interest by councillors and officials.
- Submission of procurement plan on time and as required.

## EMPLOYEE INFORMATION

EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	6	7	5	2	29%
4 - 6	16	22	15	7	32%
7 - 9	29	35	29	6	17%
10 - 12	73	91	68	23	25%
13 - 15	33	43	29	14	33%
16 - 18	3	4	3	1	25%
19 - 20	12	14	11	3	21%
<b>Total</b>	<b>172</b>	<b>216</b>	<b>160</b>	<b>56</b>	<b>26%</b>

FINANCIAL PERFORMANCE 2014/15: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>353 080</b>	<b>312 805</b>	<b>332 864</b>	<b>543 973</b>	<b>42%</b>
<b>Expenditure</b>					
Employees	31 057	51 750	50 471	46 297	-12%
Repairs and maintenance	3 786	2 714	687	328	-727%
Other	372 738	21 215	377 347	385 642	45%
<b>Total Operational Expenditure</b>	<b>407 581</b>	<b>266 679</b>	<b>428 505</b>	<b>432 267</b>	<b>38%</b>
<b>Net Operational Expenditure</b>	<b>-54 501</b>	<b>46 126</b>	<b>-95 641</b>	<b>111 706</b>	<b>59%</b>

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## COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The financial year in review was a very challenging year as is summarised in the Annual Financial Statements for 2013/14. The highlight was the improvement in the audit opinion from a disclaimer to a qualification.

In terms of the figures provided in this report the municipality have various challenges of which financial sustainability, the cash flow and revenue collection are some of the major issues that will be discussed in more detail in this report.

## NATIONAL KEY PERFORMANCE INDICATORS

See pages 206 - 207 for more detail.

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## 3.22 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Section of the City of Matlosana is responsible for:

- Recruitment, selection and appointment of personnel.
- The administration and management of leave, pension and medical aid funds.
- Ensuring the safety and wellness of officials through the Occupational Health and Safety unit as well as the Employee Assistance Programme unit.
- Ensuring capacitation of employees through the Training and Development unit.
- Ensuring the creation of a harmonious relationship between management and officials and the maintenance of disciplined workforce through the Labour Relations unit.

Set out priorities for the Human Resource Services and the impact during 2014/15 financial year:

- Review the organisational structure and recall the function back from the Strategic Unit to the Human Resource Section.
- Develop a Human Resource Plan with accurate information regarding EAP, OHS, Equity, Training and Development and all other personnel related matters.
- Finalise the filling of all critical positions.
- Capacitate 100% of the remaining finance officials through the municipal finance related skills programs, train 50% of all those officials who have not met the competency requirements as per National Treasury Regulations and 30% of all workforce on identified skills programs during this financial year.

Impact of the priorities as set out by Human Resource Services

By reviewing the organogram the Human Resource section will, among others be able to meet the following objectives:

- Outline clear municipal functions as set out in the strategic plan of the municipality and right-size the human capital accordingly.
- Align the organisational structure with the IDP in order to have municipal posts that support strategic objectives of the municipality as well as respond to changes that emerge from evolutionary developments and proactive initiatives of the municipality.

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- Clarify functions per departments, units and positions needed in order to achieve specific municipal goals.
- Clarify Key Performance Areas and Indicators of all positions on the organogram in order to ensure that they are relevant and serve as much needed support to the main objectives of the municipality in terms of service delivery.

By developing a Human Resource Plan the Human Resources Section will be able to meet the following objectives:

- Maintain pleasant industrial relations to the optimum level and structure of Human Resources.
- Meet the needs of expansion and diversification programmes.
- Assess surplus or shortage of human capital over a specified period of time.
- Identify trends in terms of service, injury on duty, sick leave so as to be able to plan remedial programmes to address negative trends.

By capacitation of staff through various training interventions, the Human Resource Section will be able to produce a skilled and competent workforce and will comply with the National Treasury's requirements in relation to competency levels as well as related legislation such as MFMA and Skills Development Act.

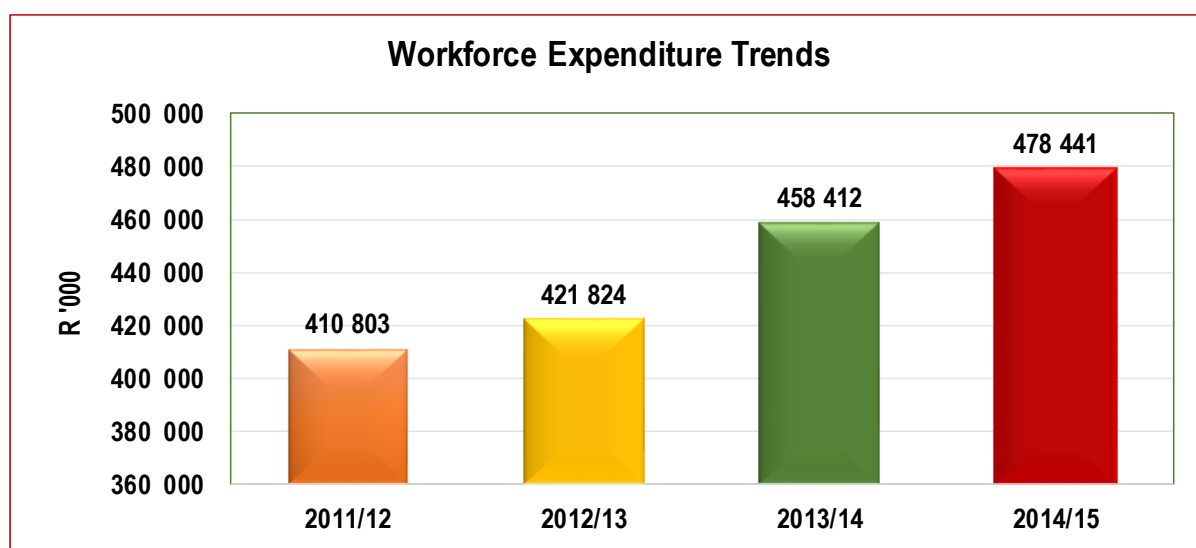
## SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

### Total personnel expenditure trends in the last four years

The following table reflects the total personnel expenditure trends from 2010/11 to 2013/14:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2011/12	410 803	24. 03%
2012/13	421 824	24. 45%
2013/14	458 412	21. 40%
2014/15	478 441	21. 30%

The following table reflects the total personnel expenditure trends from 2011/12 to 2014/15:

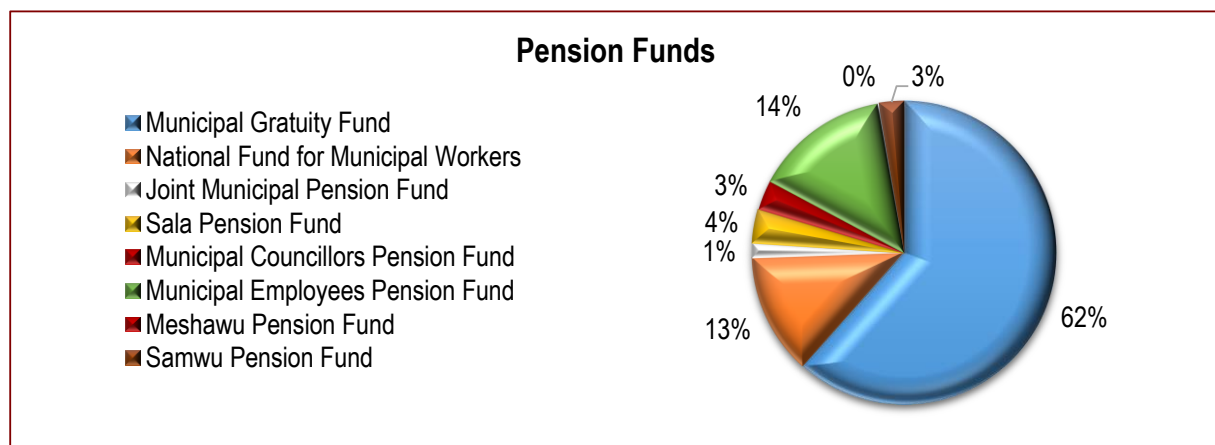


# Chapter 3

## Pension and Medical Aid Funds

Pension Fund: The composition of membership for pension and provident funds was as follows:

PENSION FUND	NUMBER OF MEMBERS		
	2012/13	2013/14	2014/15
Municipal Gratuity Fund	1 368	1 336	1 266
National Fund for Municipal Workers	281	275	264
Joint Municipal Pension Fund	36	34	32
Sala Pension Fund	87	81	74
Municipal Councillors Pension Fund	68	68	66
Municipal Employees Pension Fund	329	312	295
Meshawu Pension Fund	5	4	4
Samwu Pension Fund	60	56	54
<b>TOTAL</b>	<b>2 234</b>	<b>2 166</b>	<b>2 055</b>



The Council's actual pension fund expenditure for the 2014/15 financial year towards the employer's contribution was R58 938 017.

Medical Aid Funds: The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's actual expenditure for the 2014/15 financial year as the employer's contribution to medical aid funds was R26 310 389, while the medical aid for pensioners and provision for 2014/15 are R8 437 639 which brings the total medical aid fund to R34 748 028.

MEDICAL AID FUND	NR OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
Key Health	138	4 985 230
Hosmed	87	2 411 343
Bonitas	353	7 956 252
LA Health	353	7 256 268
Samwu Med	234	3 701 296
Pensioners and provision for contributions		8 437 639
<b>TOTAL</b>		<b>34 748 028</b>

# Chapter 3

## Outstanding Monies

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors / employees for the financial year.

ACCOUNTS IN ARREAR AS AT	ARREARS JUNE 2013 (R)	ARREARS JUNE 2014 (R)	ARREARS JUNE 2015 (R)
Councillors	94 376	14 334	34 219
Employees	332 739	835 552	41 720

Names of councillors in arrears for more than 90 days can be seen in Note 45 of the financial statements.

## Disclosure concerning executive councillors and directors

The following table reflects the remuneration for executive councillors and directors:

DESIGNATION	REMUNERATION (PACKAGE) (R)		
	2012/13	2013/14	2014/15
Executive Mayor	824 959	824 959	724 669
Speaker	647 977	647 977	583 908
Single Whip	608 720	608 720	548 719
MMC's	6 087 200	6 087 200	5 487 190
MPAC Chairperson	569 464	569 464	513 529
Councillors X 56	13 884 360	13 884 367	12 992 448
Municipal Manager	1 179 073	1 253 355	1 332 312
Director Finance (CFO)	1 153 900	1 226 595	1 303 872
Director Corporate Governance	945 107	1 004 652	1 004 652
Director Economic Growth	945 107	1 004 652	1 067 946
Director Municipal & Social Services	-	-	-
Director Infrastructure & Utilities	630 071	1 004 652	1 004 652
Director Strategic Planning, Monitoring and Control	945 107	1 004 652	1 067 946
Director Electrical and Mechanical Engineering	945 107	-	-

## Personnel Administration

DETAIL	2012/13	2013/14	2014/15
Pension	21	37	41
Resignations	09	30	45
Deaths	13	25	26
Other	15	07	12
Injuries on duty	34	63	56
Medical boarding in process	23	06	05
Medical boarding application	24	07	07
Death claims	11	25	26

# Chapter 3

Posts in Council	2 401	2 437	2 480
Posts filled	2 206	2 132	2 019
Posts vacant	195	305	461

## Employee Assistance Programme

DETAIL	2012/13	2013/14	2014/15
New clients	58	41	46
Old / follow-up cases	28	10	12
Closed cases	38	0	1
Total in treatment	129	180	226
In-house counselling	118	74	93
Referrals	12	2	0
Total refused referral to EAP	0	0	0

## Occupational Health and Safety

DETAIL	2012/13	2013/14	2014/15
Number of recorded incidents	37	83	56
Number of fatal incidents reported	1	3	0
Number of safety inspections conducted	131	162	120
Number of construction projects inspected	1	0	0
Number of safety audits	2	2	2
Number of public fatal injuries / drowning	1	0	1

## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	2	3	1	2	67%
4 - 6	9	11	9	2	18%
7 - 9	5	6	5	1	17%
10 - 12	10	10	9	1	10%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>27</b>	<b>31</b>	<b>25</b>	<b>6</b>	<b>19%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2014/15: HUMAN RESOURCE MANAGEMENT					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>907</b>	<b>1 581</b>	<b>1 581</b>	<b>514</b>	<b>-208%</b>
Expenditure					
Employees	5 289	6 500	5 807	5 684	-14%
Repairs and maintenance	0	13	6	0	0
Other	1 172	7 803	1 414	883	-784%
<b>Total Operational Expenditure</b>	<b>6 461</b>	<b>14 316</b>	<b>7 227</b>	<b>6 567</b>	<b>-118%</b>
<b>Net Operational Expenditure</b>	<b>-5 554</b>	<b>-12 735</b>	<b>-5 646</b>	<b>-6 053</b>	<b>-110%</b>

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Due to the fact that the municipality is experiencing financial difficulty, the Human Resource section has identified projects that do not have huge financial implications but which will have a huge impact in enhancing service delivery for the municipality.

These are the review of the organogram, the development of an HR plan, the filling of critical vacant positions and the capacitation of staff, with particular emphasis on those staff members who are working with finances. With regards to the review of the organogram and the development of an HR Plan, an expert from the Office of the Administrator is leading the HR team and the projects are expected to be finalised around September and October 2015. It must be noted that there are no financial implications involved in finalising the above projects.

It must further be noted that those critical positions identified have been budgeted for and are being prioritised, in particular those that are income generating in nature and those that are from service delivery departments. HR is also mindful of the need to have qualified, skilled and competent personnel in order to steer the municipality towards attaining its goals, hence the prioritisation of the capacitation of staff, and in particular, those dealing with finances.

## NATIONAL KEY PERFORMANCE INDICATORS

DESCRIPTION	NUMBER OF POSITIONS		
	2012/13	2013/14	2014/15
Number of approved positions on the three highest levels of management	42	42	44
Number of male positions filled on the three highest levels of management	34	33	28
Number of female positions filled on the three highest levels of management	11	12	9

See page 203 for "Skills" detail.

## 3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

# Chapter 3

## INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Our world has become totally dependent on Information and Communication Technology (ICT) to the extent that a national power outage for even one day can be classified as a disaster, the effect of which cannot realistically, accurately be determined. Should such an outage go beyond one day into days, or even weeks, the results cannot even be imagined. Our world in City of Matlosana municipality is similarly as dependant on ICT.

The ICT section has therefore endeavored to provide, within our means, reliable systems, reliable and easily accessible data and support to the users.

The 2014/2015 year has been one of planning for the renewal of our Firewall System and the purchasing of an Electronic Building Plan Software System.

The process of renewal of our Firewall System began with purchasing the latest firewall hardware and software technology since the old firewall hardware could not be upgraded. The new Firewall System includes a disaster recovery system for the firewall.

The renewal process has placed an additional burden on the technical staff that had to keep up with responding to call for service. The norm for network downtime has been set at 8 working hours. We were able to limit downtime to 40 minutes while implementing the new Firewall System.

The purchasing, configuration and set-up of an Electronic Building Plan Software System according to the requirements of the City of Matlosana has been done successfully. However due to financial constrains the necessary hardware such as an A0 size colour scanner and tablets for the building inspectors could not be purchased. This will be done in the 2015/2016 financial year.

The Auditor-General has for a number of years made reference to the lack of the off-site storage of backups. During this year-time has been spent on negotiating with Dr Kenneth Kaunda District Municipality to utilise some of their office space for the off-site storage of backups. This has been successfully implemented.

A 5 year Network Upgrade Project was proposed during the 2015/2016 budget process. The purpose of this project is to upgrade the network to ensure a more effective and efficient network response time which is currently decreasing due to the increasing demand for web-based systems and emails.

## EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	0	1	100%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>25%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2014/15: ICT SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>136</b>	<b>83</b>	<b>126</b>	<b>193</b>	<b>57%</b>
Expenditure					
Employees	1 854	2 103	2 208	2 119	1%
Repairs and maintenance	3 172	7 154	4 846	4 724	-51%
Other	4 011	4 023	3 501	2 816	-43%
<b>Total Operational Expenditure</b>	<b>9 037</b>	<b>13 280</b>	<b>10 555</b>	<b>9 659</b>	<b>-37%</b>
<b>Net Operational Expenditure</b>	<b>-6 447</b>	<b>-13 197</b>	<b>-10 429</b>	<b>-9 466</b>	<b>-39%</b>

## 3.24 LEGAL AND ADMINISTRATION SERVICES

### INTRODUCTION TO LEGAL SERVICES

To ensure a proper legal service to Council and the Municipal Manager as well as the Executive Mayor and the Members of Mayoral Committee and other structures of Council. Prepare and ensure approval of legal documents relating to Council.

#### Description of the activity

- Rendering of legal advice to Council and the directorates.
- Prepare and approve for legality the Council by-laws and other legal documents.
- Prepare litigation documents.

#### Key Performance Objective

- Ensure the review, revision and development of by-laws for Council's departments to comply with legislative requirements.
- Ensure effective legal services provision for Council.
- Ensure re-alignment of constraints to improve contract management.
- Ensure an enhanced communication system for Council.
- Endeavour to cut down legal costs by handling legal matters in-house.

#### Strategic Objectives

- Render legal advice on matters relating to Council and its staff in a manner that permits timely and appropriate action.
- Inform and advise staff in a timely manner on court decisions and new laws that affect Council operation.
- Advise and represent Council on litigation matters in a complete and timely fashion.
- Review all ordinances, resolutions as well as contracts/agreements.
- Endeavour to cut down legal cost by handling most legal matters in house.

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- Revision of the Council policies and procedures to comply with statutory and legal requirements.
- Provide professional legal advice to the Council and its top management.

## Key Issues

- Settlement of cases and effective outcome of actions with minimal negative impact for Council.
- To effectively protect Council's interest.
- To give effective legal support to all departments.
- To effectively regulate relationships between Council and clients.
- To effectively promote knowledge on legal matters.
- To ensure effective administrative and institutional systems, structures and procedures.

## SERVICE STATISTICS FOR LEGAL SERVICES

INFORMATION	2012/13	2013/14	2014/15
Cases against Council	36	34	32
Cases for Council	42	46	38
Cases won	20	29	21
Cases settled	11	10	19
Cases outstanding	37	49	62
Cases referred to the High Court	21	31	18
<b>TOTAL EXPENDITURE</b>	<b>R6 213 748</b>	<b>R6 403 604</b>	<b>R 6 478 329</b>

## EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	3	3	3	0	0%
4 - 6	12	12	11	1	8%
7 - 9	6	6	6	0	0%
10 - 12	9	12	9	3	25%
13 - 15	12	14	12	2	14%
16 - 18	4	6	3	3	50%
19 - 20	29	33	23	10	30%
<b>Total</b>	<b>75</b>	<b>86</b>	<b>67</b>	<b>19</b>	<b>22%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2014/15: LEGAL AND ADMINISTRATION SERVICES					
R'000					
Details	2013/14	2014/15			
	Actual	Original	Adjustment	Actual	Variance to Budget
<b>Total Operational Revenue</b>	<b>232</b>	<b>1 130</b>	<b>2 151</b>	<b>312</b>	<b>-262%</b>
Expenditure					
Employees	23 904	24 555	26 043	25 836	5%
Repairs and maintenance	1 424	1 614	731	445	-263%
Other	5 384	6 057	4 378	4 198	-44%
<b>Total Operational Expenditure</b>	<b>30 712</b>	<b>32 226</b>	<b>31 152</b>	<b>30 479</b>	<b>-6%</b>
<b>Net Operational Expenditure</b>	<b>-30 480</b>	<b>-31 096</b>	<b>-29 001</b>	<b>-30167</b>	<b>-3%</b>

## COMMENT ON THE PERFORMANCE OF LEGAL AND ADMINISRATIVE SERVICES OVERALL

The following highlights need to be mentioned:

- Contract management was centralised with legal services.
- The contract register was created where contracts are recorded.
- Settlement of cases and effective outcome of actions with minimal negative impact for Council.
- Legal service managed to settle 19 cases and won 21 cases.

# Chapter 3

COMPONENT J: ORGANISATIONAL PERFORMANCE

## Annual Performance Report 2014/15

# Chapter 3

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# Chapter 3

## 1. INTRODUCTION

The 2014/15 Annual Performance report is hereby submitted by the Municipal Manager in terms of section 121 of the Municipal Finance management Act, (56 of 2003) read with the Municipal Systems Act, (32 of 2000) as amended, Section 46(1) and (2) as well as the Municipal Finance Management Act, Circular 11 and 63 on annual reporting.

The Municipal Planning and Performance Management Regulations (2001), Chapter 3, Section 7, stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players”.

Council adopted the Performance Management Framework and Policy during the 2007/08 financial year. The Performance Management Framework and Policy was reviewed and amended (3<sup>rd</sup> edition) by Council on 28 July 2015 (CC 51/2015).

The Municipal Systems Act, (Act 32 of 2000) as amended, stipulates the following:-

*"Annual performance reports*

46. (1) A municipality must prepare for each financial year a performance report reflecting –
- (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) measures taken to improve performance.
- (2) An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

This report covers the performance information from 1 July 2014 to 30 June 2015 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development and Plan (IDP).

The report will also reflect on the municipality’s performance in terms of the five (5) National Key Performance Areas for local government, which are:



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In the year under review the City of Matlosana had seven Directorates:

- Strategic Planning, Monitoring and Control.
- Civil Services and Human Settlements.
- Electrical and Mechanical Engineering.
- Municipal and Environmental Services.
- Corporate Services.
- Macro City Planning and Development.
- Finance.

## 2. INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

---

During the 2014/15 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. The City of Matlosana has continued to maintain the effective operation of the following processes:

- The SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies.
- Performance agreements with performance plans were developed, signed and approved by the Administrator as required by the Municipal Performance Regulations, 2006 and section 139(1)(b) of the Constitution (CC 170/2014 dated 19 December 2014).
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager.
- A mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed.

## 3. AUDITING OF PERFORMANCE INFORMATION

---

The Municipal Systems Act, 2000 as amended, section 45 requires that the results of performance measurements in terms of section 41 (1) (c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

Council's Internal Audit Section is responsible to perform this function. As part of their scope, auditing of the Performance Management System and Information was performed and reports received for each quarter in terms of the following:-

- Identify non-compliance with the relevant laws and regulations in the overall performance management system, processes and procedures.
- Document the understanding obtained of the performance information system, processes and procedures.
- Document the understanding of risks that exists in the detailed performance management process per selected development priority.
- Assess, review, test and verify the consistency, measurability, relevance and presentation of planned and reported performance information.

# Chapter 3

- Review scorecards on a test basis to supporting evidence on a sample basis.
- Record the system that is used to generate the performance information.
- Ensure compliance with the requirements of the PMS regulations.
- Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

On 21 October 2014 Council approved the merger of the Audit and the Performance Audit Committees in line with section 166 (b) of the MFMA (CC 122/2014 dated 21 October 2014).

The new committee commence with effect from 1 November 2014. The committee members are as follows:-

- |                 |   |             |
|-----------------|---|-------------|
| ➤ Mr Ml Motala  | - | Chairperson |
| ➤ Mr N Maape    | - | Member      |
| ➤ Mr C Malemone | - | Member      |
| ➤ Ms L Mosoetsa | - | Member      |

## 4. REMEDIAL ACTIONS FOR PERFORMANCE MANAGEMENT

---

In order to improve on performance planning, implementation and reporting, the municipality is planning to implement the following actions during the new financial year:

- Management to discuss monthly progress of the SDBIP as a standing agenda item at top management meetings.
- The Top Layer and Bottom SDBIP's to be discussed as standing agenda items to gauge performance of each department's challenges as in when they are reported to be resolved to assist the municipality to achieve its objectives.
- That management keep to the proposed schedule of top management meetings and that portfolio of evidence of each meeting be kept.
- The accounting officer to review the quarterly performance reports to ensure that quarterly performance targets are achieved as per the SDBIP.
- That the quarterly reports submitted without portfolio of evidence not be accepted and that the relevant director be informed to comply.
- That quarterly performance reports be submitted as per dates contained in the Performance Action Plan.
- That the quarterly performance assessments of performance of managers directly reporting to the Municipal Manager as well as the Municipal Manager's performance be conducted as required by the performance regulations.

## 5. ISSUES RAISED IN THE 2014/15 AUDITOR-GENERAL'S REPORT

---

Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, the following matters raised:-

- Material misstatements in the annual performance report submitted for auditing on the reported performance information for Key performance area 1: Service delivery and infrastructure development were identified.
- As management subsequently corrected the misstatements, no material findings on the usefulness and reliability of the reported performance information were raised.

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## 6. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report must be presented to the Auditor-General for auditing together with the Annual Financial Statements on 31 August 2015.

As part of the report the following areas were addressed:-

- ✗ *IDP and Capital Projects*
- ✗ *Operational indicators*
- ✗ *Outcome 9 indicators of National Government*
- ✗ *National Key Performance indicators*

The Annual Performance Report for the 2014/15 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained the IDP and SDBIP. The achievements, reasons for deviation and planned remedial action are reported by the respective directorates.

Data is supported by the relevant evidence captured and maintained by the directorates (Proof of Evidence – POE's) to support the data captured on the Performance Management System.

Measurable performance targets with regard to each of the development priorities and objectives were established. These development priorities are as follows:-

- ✗ *Basic Service Delivery and Infrastructure Development*
- ✗ *Municipal Transformation and Organizational Development*
- ✗ *Local Economic Development (LED)*
- ✗ *Municipal Financial Viability and Management*
- ✗ *Good Governance and Public Participation*

### 6.1 Organisational Performance Results

The table below encapsulates the high-level summary of the municipality's 2014/15 performance results with regard to each of the development priorities:

2014/15 ORGANISATIONAL RESULTS				
Key Performance Indicators	Total No of KPI's	Targets Achieved	Targets Not Achieved	Annual % Met
<i>Service Delivery and Infrastructure Development</i>	22	18	6	73%
<i>Municipal Institutional Development and Transformation</i>	82	62	20	76%
<i>Local Economic Development (LED)</i>	6	5	1	83%
<i>Municipal Financial Viability and Management</i>	35	15	20	42%
<i>Good Governance and Public Participation</i>	74	57	17	77%
<b>TOTAL</b>	<b>219</b>	<b>155</b>	<b>64</b>	<b>71%</b>

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## 7. EXECUTIVE SUMMARY

The annual performance comparison for the last 3 financial years can be seen in the table below:

2014/15 ORGANISATIONAL RESULTS			
	2012/13	2013/14	2014/15
<b>Annual Overall Performance</b>	58%	61%	<b>71%</b>
<b>Key Performance Areas</b>			
<i>Service Delivery and Infrastructure Development</i>	71%	59%	<b>73%</b>
<i>Municipal Institutional Development and Transformation</i>	58%	61%	<b>76%</b>
<i>Local Economic Development (LED)</i>	83%	58%	<b>83%</b>
<i>Municipal Financial Viability and Management</i>	48%	46%	<b>42%</b>
<i>Good Governance and Public Participation</i>	61%	72%	<b>77%</b>

The following highlights contribute to overall 2014/15 annual performance of the City of Matlosana:

### Basic Service Delivery and Infrastructure Development (61% to 76%)

The core function of the municipality is to ensure sustainable services to the community to improve access and thereby reducing backlogs. This component includes: water; sanitation; roads; electricity; waste management; and housing services and free basic services. Projects completed include:

- 34.86 km roads in the KOSH graded as per programme at a cost of R2 997 586.
- Electrifying and commission 64 houses in Jacaranda CPA at a cost of R556 302.
- 8 high mast lights installed in Kanana (ward 22 - 26) (phase 6) at a cost of R41 960 paid in 2013/14 FY.
- 5.5 km bulk water supply from Midvaal end point in Orkney to Kanana reservoir completed at a cost of 13 526 187.
- Upgraded Brazil sport stadium in Jouberton as per business plan at cost of R534 209.
- A new 1466.7m brick wall constructed at the Khuma sport complex as per business plan at cost of R756 869.
- 1 km taxi routes paved and storm water drainage system upgraded as per program in Kanana (Phase 7) at a cost of R2 153 377.
- Assistance was given by the Department of Human Settlements with the implementation of a “*Rapid Bucket Eradication*” programme as well as attending to services for indigents occupying stands.
- Access to water to the community by means of water tankers and boreholes.
- Utilising the DME Grants to electrifying 84 houses at Jacaranda CPA and Brakspruit CPA, respectively.

### Municipal Institutional Development and Transformation (59% to 73%)

Municipal Institutional Development and Transformation relates on how the institution is capacitated to exercise its duties. Skills development is implemented in accordance with the workplace skills plan, which assists in improving the capacity for staff to deliver services.

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- 2013/14 Employment Equity report submitted to Department of Labour on 14 January 2015.
- 8 External newspaper regarding Council affairs compiled and distributed to the community.
- R1 378 181 spend on Skills Development Training for 2014/15 financial year.
- 4 Life skills training sessions conducted for council employees.
- 2 Training sessions conducted for employees on the collective agreement on disciplinary procedures.

## Local Economic Development (58% to 83%)

Essentially the municipality aims to identify the competitive advantage of the municipal area and develop strategic initiatives to facilitate the optimisation of investment opportunities to promote sustainable economic growth and employment creation.

- 1 961 permanent jobs exceeding 3 months created through the municipality's local economic development initiatives including capital projects in urban areas.
- 100 permanent jobs exceeding 3 months created through the municipality's local economic development initiatives including capital projects in rural areas.
- 4 Co-operatives established and functional in KOSH area.

## Municipal Financial Viability and Management (46% to 42%)

Effective and adequate financial Management is a priority as the municipality continues towards working to achieve a clean audit. Budget processes have been complied with to ensure credible budgeting. The SCM policy and regulations are adhered to, to ensure compliance. Revenue enhancement continues to raise collections rates on billing and to manage credit control and debt management.

Annual indicators achieved during the 2014/15 financial year are:

- Supply Chain Management process improved by reducing the turn-around time from 6 months to 3 months.
- 87.55% of budgeted revenue for property rates was collected for the 2014/15 financial year.
- 93.14% of the operational expenditure R2 406 087 103 was spent by June 2015.
- Implemented valuation roll for the KOSH area at a cost of R357 051.
- 76% of MIG annual expenditure allocation R65 205 403 was spent by June 2015.

## Good Governance (72% to 77%)

On-going local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

- Approved 2014/15 Mid-Year Assessment Report by the Executive Mayor.
- Reviewed and approved 2014/15 IDP process plan by Council.
- Records Classification System approved by Provincial Archives.
- Approved 2015/16 budget related policies and tariffs.

# Chapter 3

## 8. CONCLUSION AND APPROVAL OF BY THE MUNIICPAL MANAGER

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During the 2014/15 year the overall performance results currently reflect a 73% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2014/15 percentage is higher as compared to 2013/14 financial period.

The municipality will continue improving on its performance management system, particularly, in the application of the SMART principle. Challenges still exist on accurate and timeously performance information as well as reporting meaningful deviations and remedial actions for all the targets not met on a quarterly basis.

The continuous support rendered by the PMS Unit to the various directorates quarterly, will improve the organisational culture towards performance management so as to eliminate the hindrances to proper planning and to enhance accurate and credible monitoring and reporting on performance.



Signed by \_\_\_\_\_

**S.G. MABUDA**

**ACTING MUNICIPAL MANAGER**

Date: 31 August 2015

## 9




# IDP and Council Projects (Grant & Council Funded)

# Chapter 3

## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: ROADS




IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community					
ROA1 MIG Funded – (Multi-Year project)	Km taxi routes paved and storm-water drainage system upgraded as per program in Kanana (Phase 7)	New project	1 Km layers works completed R 5 798 660	Paving of 1 km taxi routes and upgrading of storm water drainage system as per program in Kanana (Phase 7) at a cost of R2 455 595 by March 2015	1 Km layer-works and surfacing 100% completed R2 153 377		–	–	
	Km taxi routes paved and storm-water drainage system upgraded as per program in Jouberton (Phase 7)	New project	Project 70% completed R 2 329 026	Paving of 1 km taxi routes and upgrading of storm-water drainage system as per program in Jouberton (Phase 7) at a cost of R3 265 334 by September 2014 March 2015	1 Km layer-works and surfacing 100% completed R2 790 007		–	–	
ROA3 MIG Funded – (Multi-Year project)	Km taxi routes paved and storm-water drainage system upgraded as per program in Alabama (Phase 6)	New project	1 Km layers works completed R3 716 617	Paving of 2 km taxi routes and upgrading of storm-water drainage system as per program in Alabama (Phase 6) at a cost of R2 598 772 and R967 543 (R3 566 315) by September 2014	2 Km layer-works and surfacing 100% completed. R2 151 595		–	–	

# Chapter 3

## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: ROADS




IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community					
ROA4 MIG Funded – (Multi-Year project)	Km taxi routes paved and storm-water drainage system upgraded as per program in Khuma (Phase 7)	New project	Project 85% completed R3 153 181	Paving of 1 km taxi routes and upgrading of storm-water drainage system as per program in Khuma (Phase 7) at a cost of R2 051 039 by September 2014	1 Km layer-works and surfacing 100% completed R471 218		–	–	
ROA5 MIG Funded – (Multi-Year project)	Km taxi routes paved and storm-water drainage system upgraded as per program in Tigane (Phase 7)	New project	1 Km layers works completed R5 168 727	Paving of 1 km taxi routes and upgrading of storm-water drainage system as per program in Tigane (Phase 7) at a cost of R 1 648 025 and R3 199 050 (R4 847 075) by March 2015	1Km layer-works and surfacing 100% completed R4 457 578		–	–	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the main storm water drainage system to ensure a better accessibility to the community					
ROA6 MIG Funded – (Multi-Year project)	Km main storm-water drainage system upgraded as per program in Jouberton (Phase 5)	Project completed. R3 857 372	Project 60% completed R2 031 570	Constructing of 2 1 km of main storm-water drainage system as per program in Jouberton (Phase 5) at a cost of R2 323 352 by March 2015	Channel 100% trenched, 100% of the layer works completed and concreting 100% done R2 038 028		–	–	

# Chapter 3

## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: ROADS


IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To open a new solid waste cell in Klerksdorp to ensure a safe disposal environment for the community					
ROA7 MIG Funded – (Multi-Year project)	Number of new solid waste cells on existing solid disposal site in Klerksdorp opened	Stilfontein and Orkney landfill sites completed. R10 398 962	Orkney & Stilfontein landfill sites rehabilitated R361 811	Opening of 1 new solid waste cell on existing solid disposal site in Klerksdorp 95% completed at a cost of R10 000 000 by June 2015	Earthworks 95% completed and subsoil drainage 95% completed R8 771 930		–	–	R1 500 & R3 729 471
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade Jouberton and Kanana cemetery to enhance access and service delivery					
ROA8 MIG Funded – (Roll-Over)	Km of access road constructed at Jouberton central cemetery and km of access roads constructed at the Kanana cemetery	New project	Project 90% completed R2 643 531	Constructing 1km access road at Jouberton central cemetery and 0.65km access roads at Kanana cemetery at a cost of R 1 111 239 by December 2014	Surfacing of roads and 1km access road completed R1 004 665		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct access roads at Tigane cemetery to enhance service delivery					
ROA9 MIG Funded – (Roll-Over)	Km of access roads constructed at Tigane cemetery	New project	Construction phase R808 533	Constructing 0.5km access road at Tigane cemetery at a cost of R2 995 887 by December 2014	0.5 Km access road at Tigane cemetery completed R2 597 884		–	–	–

# Chapter 3



## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: ROADS

IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a pedestrian bridge over the N12 between Alabama and Jouberton to ensure public safety					
ROA10 NDPG Funded	Pedestrian bridge over N12 constructed	New project	New project	Constructing a 102m pedestrian bridge over the N12 between Alabama and Jouberton at a cost of R 16 874 918 by June 2015	Steel and concrete works completed. Project 75% completed R13 312 009		The project was stopped for three (3) months, between Nov 2014 and Jan2015, by the Jouberton Business Forum	Contractor will double the resources to make sure the project is completed in the 1st quarter of 2015/16 FY. Project will be monitored by-weekly	R6 000 000

#### SECTION: PROJECT MONITORING UNIT




NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop a new sport complex in Jouberton					
PMU1 MIG Funded - (Roll Over)	New sport complex in Jouberton developed	New project	Facility 50% completed R2 179 394	Developing a new sport complex in Jouberton as per business plan at cost of R9 588 303 by June 2015	Contractor appointed. Project 60% completed R5 859 201		The project was stopped for three (3) months, between Nov 2014 and Jan 2015, by the Jouberton Business Forum	Contractor will double the resources to make sure the project is completed in the 1st quarter of 2015/16 FY. Project will be monitored by-weekly	R3 430
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a new brick wall at the Khuma sport complex					
PMU2 MIG Funded - (Roll Over)	Metre of new brick wall at the Khuma sport complex constructed	New project	Project 60% completed R1 091 326	Constructing a new 1466.784m brick wall at the Khuma sport complex as per business plan at cost of R756 869 by June 2015	1466.784m Brick wall constructed Project 100% completed R 515 288		–	–	–

# Chapter 3

## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: PROJECT MONITORING UNIT


IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Water Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade Brazil sport stadium to maintain aging infrastructure					
PMU3 MIG Funded - (Roll Over)	Brazil sport stadium in Jouberton upgraded as per programme	New project	Project practical completed R4 367 927	Upgrading of the Brazil sport stadium in Jouberton as per business plan at cost of R665 595 by June 2015	Brazil sport stadium upgraded. Project 100% completed R534 209		–	–	–
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve bulk water supply in Alabama / Manzilpark (Phase 3) to ensure a basic water service					
WAT1 MIG Funded - (Roll Over)	Installation of a bulk water network for Alabama / Manzilpark (Phase 3)	New project	Construction tender documents completed R216 993	Installation of a bulk water network for Alabama / Manzilpark (Phase 3) at a cost of R15 000 000 by June 2015	1.5 km bulk pipeline has been achieved Project 65% completed R6 828 340		Delay due to repositioning of reservoir which impacted the pipeline route as well as supply and delivery of pipe specials	Contractor will double the resources to make sure the project is completed in the 1st quarter of 2015/16 FY. Project will be monitored	R9 500 & R 17 378 850
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the water mains in Kanana to improve the supply capacity					
WAT2 MIG Funded - (Multi-Year project)	Supplying water from Midvaal end point in Orkney and the installing bulk line services to Kanana reservoir	New project	Construction 65% completed (Bud welding completed) R 8 733 475	Supplying water from Midvaal end point in Orkney and installing bulk line services (3.1km) to Kanana reservoir at a cost of R15 196 615 by June 2015	3.1 Km pipeline constructed. Project completed R13 526 187		–	–	R 3 246 734

# Chapter 3



## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: WATER SERVICES

IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To replace bulk/zonal water meters to ensure accurate meter reading					
WAT3 MIG Funded - (Roll Over)	Number of bulk/zonal water meters replaced in the KOSH area	4 Bulk meters replaced R130 171	Not achieved due to MIG late approval R 0	Replacing a minimum of 110 bulk/zonal water meters greater than 50mm in the KOSH area at a cost of R576 965 by June 2015	84 Bulk water-meters have been installed. R361 200		Unavailability of meters from the suppliers let to the contractor finishing late	Projects to be finished before 31st July 2015	—

#### SECTION: SANITATION SERVICES





NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure					
SAN1 MIG Funded	Km of sewer network upgraded	New project	Revised preliminary design report as requested by Human Settlements R333 553	Designing of the upgrading of 3.5 km sewer network in Khuma Proper (North East) at a cost of R2 098 933 by December 2014	Designing of the construction of sewer network completed R1 507 588		–	–	R1 585 & R17 232 487
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the outfall sewer line in Jouberton Ext 7,19 & 24 (West) to maintain the current infrastructure					
SAN2 MIG Funded - (Roll Over)	Km outfall sewer line in Jouberton Ext 7,19 & 24 (West) upgraded	New project	Excavation works done. Installation of manholes 40% completed R6 467 365	Upgrading 5 km outfall sewer line in Jouberton Ext 7,19 & 24 (West) at a cost of R11 484 778 by December 2014	5 Km outfall sewer line upgraded – on retention R7 737 038		–	–	–

# Chapter 3

## DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: SANITATION SERVICES





IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the outfall sewer line in Alabama / Jouberton Ext 19 (East) to maintain the current infrastructure					
SAN3 MIG Funded - (Roll Over)	Km outfall sewer line in Alabama / Jouberton Ext 19 (East) upgraded	New project	Installation of manholes 90% completed R497 193	Upgrading 2.6 km outfall sewer line in Alabama / Jouberton Ext 19 (East) at a cost of R1 030 202 by September 2014	2.6 Km outfall sewer line upgraded. Project completed R466 724		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the outfall sewer line in Irene Park (Chris Hani Street) to maintain the current infrastructure					
SAN4 MIG Funded - (Roll Over)	Km outfall sewer line in Irene Park (Chris Hani Street) upgraded	New project	Construction of outfall sewer line and installation of manholes 95% completed R1 056 847	Upgrading 0.5 km outfall sewer line in Irene Park (Chris Hani Street) at a cost of R620 942 by September 2014	0.5 Km outfall sewer line upgraded. Project completed R376 609		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install a outfall sewer line in Kanana Ext 14 to relief the existing sewer network					
SAN5 MIG Funded - Project	Km outfall sewer line in Kanana Ext 14 installed	–	New project	Installing of 1 995 km outfall sewer line in Kanana Ext 14 - 85% completed at a cost of R4 389 170 by June 2015	85% of the outfall line installed R3 898 542		–	–	R1 630 843
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install sewer connections in Tigane Ext 5 at 5 subdivided even to reduce sanitation backlogs					
SAN6 MIG Funded	Number of sewer connections in Tigane Ext 5 installed	–	New project	Installation of 179 sewer connections in Tigane Ext 5 at a cost of R1 662 772 by June 2015	179 Sewer connections installed R1 071 867		–	–	–

# Chapter 3

## DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: DISTRIBUTION


IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To finalise the upgrading of the mechanical and electrical equipment at pump stations to ensure the maintenance of the existing infrastructure					
ELE1 MIG Funded - (Roll Over)	Number of mechanical and electrical equipment at pump stations upgrades finalised	Material ordered Project 10% completed. R372 153	Project completed and commissioned R7 465 970	Finalising the up-grading of 2 electrical and mechanical equipment in pump stations (Volume 4) at Rietkuil - Jouberton (ward 12); Lorraine - Tigane (wards 1 & 2) to the amount of R994 614 by Sept '14	2 Mechanical and electrical equipment in pump stations upgraded R88 100		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To electrify Jacaranda CPA to better service delivery					
ELE2 DME Funded	Number of houses in Jacaranda CPA electrified	–	New project	Electrifying 64 houses in Jacaranda CPA at a cost of R880 000 by June 2015	64 Houses connected and commissioned R556 302		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To electrify Brakspruit CPA to better service delivery					
ELE3 DME Funded	Number of houses in Brakspruit CPA electrified	Project 10% completed. R67 709	Construction at 95%	Electrifying 20 houses in Brakspruit CPA (Phase 1) at a cost of R220 000 by June 2015	6 Houses connected and commissioned R129 284		14 Houses still under construction	Connection of the 14 houses expected to be completed by end of 2nd quarter of 2015/16 FY	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To finalize the instalment of high mast lights to better service delivery					
ELE4 MIG Funded - (Roll Over)	High mast lights finalised in Kanana (Phase 6)	1 High mast light erected - Electrical reticulation completed R834 094	8 High mast lights erected - Electrical reticulation completed R1 679 174	Finalising the installation 8 high mast lights in Kanana (ward 22 - 26) (phase 6) at a cost of R41 960 by March 2015	8 High mast lights erected - reticulated and commissioned. R41 960 paid in 2013/14 FY		–	–	R2 000 000

# Chapter 3

## DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING


### KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### SECTION: DISTRIBUTION


IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE : To finalize the instalment of high mast lights to better service delivery							
ELE5 MIG Funded - (Roll Over)	High mast lights finalised in Tigane (Phase 3)	3 High mast lights erected - Electrical reticulation completed R370 737	5 High mast lights erected - Electrical reticulation completed R1 435 227	Finalising the installation of 5 high mast lights in Tigane Ext 6 and Proper (wards 1 & 2) (phase 3) at a cost of R456 387 by March 2015	5 High mast lights erected - reticulated and commissioned R134 844		–	–	–

## DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

#### SECTION: LIBRARY SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE : To address shortcomings by improve library services and maintenance							
LIB1 DORA Grant	Shortcomings at various libraries improved according to the approved project business plan	Architectural plans for car port drawn up. R8 941	R380 196	Improving shortcomings at various libraries according to the approved project business plan at a cost of R235 000 by June 2015	Various purchases and (Summary of expenditure available at main library) R202 471		–	–	R1 000 000

## DIRECTORATE: FINANCIAL SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE : To purchase ICT hard/software to replace computers and laptops							
ICT1 COUNCIL FUNDED	ICT hard/software as per priority list purchased	–	New project	Purchasing of ICT hard / software as per priority list to the amount of R1 037 810 by June 2015	Firewall project was completed successfully. 37 monitors and anti-virus not procured R586 092		Amount reduce due to year end correction of "repair & maintenance" booked against capital	37 Monitors and anti-virus will be addressed in the 2015/16 financial year Roll-over requested	R 0

# Chapter 3





## 10

# Operational Indicators

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT




### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Water Services									
NR	INDICATOR	MEASURABLE OBJECTIVE : To clean reservoirs to comply with legislation							
WAT10	Number of reservoirs cleaned	40 Reservoirs cleaned R98 163	44 Reservoirs cleaned R1 111 278	Cleaning 40 reservoirs in the KOSH area at a cost of R1 282 559 by June 2015	46 reservoirs cleaned R521 855		–	–	40 reservoirs
NR	INDICATOR	MEASURABLE OBJECTIVE : To obtain Blue Drop status to improve water quality and water management and to comply with legislation							
WAT11	A minimum standard of 95% Blue Drop status obtained	Assessments in process. Only to be announced during Sept 2013	2013 Blue Drop results not published yet	Obtaining a minimum standard of 95% Blue Drop status by June 2015	Monthly compliance documentation submitted		Still awaiting results from DWA	N/A	95,5% Blue Drop status
Sanitation Services									
NR	INDICATOR	MEASURABLE OBJECTIVE : To address main sewer blockages to ensure reactive maintenance of main sewers throughout the year							
SAN13	Km of main sewers cleaned	14 Km main sewers cleaned	7.15 Km main sewers cleaned	Cleaning 10 km of main sewers as per program in the KOSH area by June 2015	10 km of main sewers cleaned		–	–	15 km of main sewers cleaned
NR	INDICATOR	MEASURABLE OBJECTIVE : To improve the Green Drop score for improved waste water quality management							
SAN14	A minimum standard of 70% Green Drop score obtained	Assessments in process	Achieved 39.85% for the Green Drop	Obtaining a minimum score of 70% for the Green Drop programme by June 2015	Achieved 55.1% for the Green Drop		Insufficient budget for maintenance and repairs at the treatment works. No funding for development of Master Plan	Requested funds on the 2015/16 financial year for operational maintenance plans	60% Green Drop status

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT





### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Housing Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To registered and deregistered Title Deeds to ensure secure tenure and ownership of houses					
HOU1	Number of Title Deeds of pre 1994 old stock houses transferred through the Deeds Office to the beneficiaries	151 Title deeds transferred R42 280	Only 32 Title Deeds submitted in May 2014	Transferring 900 of the 2 336 Title Deeds of pre 1994 old stock houses through the Deeds Office to the beneficiaries at a cost of R187 000 by June 2015	160 Deed of sale signed and submitted to attorneys to be logged with the Deeds office R8 960		Title Deeds could not be registered as a result of a delay from the previous appointed attorney	Title Deeds will be registered in the 2015/16 financial year	–
HOU2	De-registering of Title Deeds	Affidavit has been sent to the attorney for processing at the Deeds Office. R18 817	63 Title deeds ready to be de-registered. Original copies are needed in order to proceed	De-registering of Title Deeds in Khuma, Kanana and Jouberton (as per register) at a cost of R10 000 by June 2015	Deeds of sale were submitted to Mazabane Attorneys. Still awaiting their response in terms of progress. R 0		Title Deeds could not be registered as a result of a delay from the previous appointed attorney	Title Deeds will be registered in the 2015/16 financial year.	18 Title Deeds R200 000
DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE12	Percentage of low voltage complaints attended to resolved	New project	New project	Resolving at least 80% of all voltage complaints in the KOSH area (telephonic, written and verbal) received by June 2015	87% (1 304 Complaints received / 1 503 Complaints resolved)		–	–	85%





# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

### DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE13	Percentage of medium voltage forced interruptions complaints attended to resolved	New project	315 Complaints attended to	Resolving at least 100% of all medium voltage forced interruptions in the KOSH area by June 2015	100% Interruptions resolved (270 Interruptions received / 270 Interruptions resolved)		–	–	100%
ELE14	Percentage of street lights complaints resolved	New project	4 459 Complaints attended to	Resolving at least 50% of all street lights complaints in the KOSH area (written; telephonic and verbal) received by June 2015	63% complaints resolved (2 250 complaints received / 1 408 complaints resolved)		–	–	65%
ELE15	Percentage of high mast light complaints resolved	New project	121 Complaints attended to	Resolving at least 60% of all mast lights complaints in the KOSH area (written; telephonic and verbal) received by June 2015	72% complaints resolved (78 complaints received / 56 complaints resolved)		–	–	90%
ELE16	Percentage of traffic control signals complaints resolved	New project	103 Complaints attended to	Resolving at least 70% of all traffic control signals complaints in the KOSH area (written; telephonic and verbal) received by June 2015	100% complaints resolved (180 complaints received / 180 complaints resolved)		–	–	100%





# Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING									
Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate possible fraud and illegal tampering to Council's assets					
ELE17	Percentage of electricity meter tampering investigations complaints attended to resolved	New project	121 Complaints attended to	Resolving at least 100% of all electricity meter tampering investigations, as received from finance by June 2015	100% complaints resolve. (705 complaints received / 705 complaints resolved)		–	–	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
ELE18	R value income collected from bulk connection sales (To be ring fenced for maintenance)	New project		Collecting R2 500 000 income from bulk connections sales by June 2015	R118 140		Less applications and payments received than expected	Debt collection to conduct collections	R 2 500 000
ELE19	R value income collected from spot fines on electricity tampering	New project		Collecting R 650 000 income from spot fines on electricity tampering by June 2015	R860 824		–	–	R 1 000 000
DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES									
Parks and Cemeteries									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To repair the current fence of nature reserve to contain game					
PAR2	Km of fence repaired at Faan Meintjes Nature Reserve	New project	New project	Repairing 5km of fence at the Faan Meintjes Nature Reserve at a cost of R 650 170 (ring fenced) by June 2015	Not achieved. Specifications have been sent to Supply Chain on 18 February 2015		SCM Committees were re-compiled by the Administrator which caused a delay in advertisement Tender closed 26 June 2015.	Project to be completed in the 2015/16 financial year.	5 Km of fence R 658 880

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT





### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Fire and Disaster Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations					
FIR1	Number of fire inspections conducted	1 069 Fire inspections conducted	748 Fire inspections conducted	Conducting 800 general fire inspections according to programme in the KOSH area by June 2015	914 General fire inspections conducted		–	–	800 General fire inspections
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
FIR2	Number of ward sessions conducted	19 Fire prevention information sessions conducted	13 Fire prevention information sessions conducted	Conducting 12 fire prevention information sessions according to programme in identified wards by June 2015	12 Fire prevention information sessions conducted		–	–	12 Fire prevention information sessions
FIR3	Number of fire safety campaigns conducted at schools	New project	11 Fire safety campaigns conducted	Conducting 4 fire safety campaigns for schools in the KOSH area according to programme by June 2015	12 Fire safety campaigns conducted		–	–	4 Fire safety campaigns
Traffic and Municipal Court									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
TRA1	Number of (K78) multi road blocks	15 (K78) multi road blocks conducted	15 (K78) multi road blocks conducted	Conducting 15 (K78) multi road blocks with all law enforcement agencies in the KOSH by June 2015	12 (K78) multi road blocks conducted		Plenty of warrants of arrest were outstanding Focussed on executing process	Plan developed to address all the key problem areas	15 (K78) multi road blocks

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT




### DIRECTORATE: FINANCIAL SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Finance and Budget									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
BUD15	R value income collected from electricity sales	New project	New project	Collecting R472 470 725 income from electricity sales (conventional meters) by June 2015	R435 445 640 92.16%		Indigent and theft	Strengthen debt collection and put strict measures in place	R 572 508 360
BUD16	R value income collected from pre-paid electricity sales	New project	New project	Collecting R46 496 900 income from pre-paid electricity sales by June 2015	R42 264 457 90.89`%		Indigent and theft	Strengthen debt collection and put strict measures in place	R51 146 590
BUD17	R value income collected from power cards electricity sales	New project	New project	Collecting R47 783 250 income from power cards electricity sales by June 2015	R41 471 627 86.79%		Indigent and theft	Strengthen debt collection and put strict measures in place	R52 561 580
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
BUD18	R value income collected from water sales	New project	New project	Collecting R412 531 085 income from water sales (conventional meters) by June 2015	R272 530 661 66.06%		Vote was over-budgeted	The budget must be realistic	R 404 590 800

# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conducted quarterly reviews to comply with legislation					
MM5	Conducting 4 quarterly reviews with section 56 employees by June 2015	New project	New project	Conducting 4 quarterly reviews with section 56 employees by June 2015	Not achieved		Administration problems and Municipal Manager is suspended since 16 March 2015	Will commence on advice of the Administrator	4 Quarterly reviews
Internal Audit									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To report on outstanding disclaimer and qualifications to ensure sound financial management					
IA3	Number follow-up audit reported to review resolutions on outstanding disclaimer and qualifications on the Auditor-General's report and Internal Auditor's findings	No follow-up audits reported	2 Internal follow-up reports compiled, but no audit reviews conducted	Reporting with 1 follow-up audit to review resolutions on outstanding disclaimer and qualifications on the Auditor-General's report by June 2015	Not achieved		Follow-up on AG's report could not be done due to non-implementation of AG's recommendations by management.	Follow-up will only be done after an action plan has been developed and progress on implementation of recommendation is reported by management	1 Follow-up report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To continue with Professional Development to enhance knowledge, skills and other competencies of Internal Audit staff					
IA7	14/15 Continuous Development Program for approval by the Audit Committee	Draft 2013/14 Continuous Development Programme approved by Director SPM & C	2014/15 Continuous Development Program developed	Develop the 2015/16 Continuous Development Program for approval by the Audit Committee by June 2015	Approved 2015/2016 continuous development plan approved by the Audit Committee on the 30 June 2015		–	–	Approved 2016/17 Continuous Development Program


# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION


### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
	2012/13	2013/14	Annual Target	Actual Performance				


#### Internal Audit

NR	INDICATOR	MEASURABLE OBJECTIVE : To conduct quality assurance improvement programme to comply with legislative requirements							
IA8	Internal quality assurance and improvement programme performed	New project	1 Internal quality assurance performed	Performing 1 peer-to-peer quality assurance review by June 2015	Quarterly quality assurance assessment report achieved.		–	–	–

### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

NR	INDICATOR	MEASURABLE OBJECTIVE : To implement a strategic objectives for Council to ensure effective direction							
DSPMC1	Strategic objectives for Council implemented	Facilitation resumed. R63 895	Strategic objectives 15% implemented.	Implementing strategic objectives for Council by June 2015	1 Strategic Planning Session conducted on 22 January 2015 Organogram follow-up sessions with workforce conducted		Province is still assisting with the exercise	Organogram to be finalised during the 1st quarter of the 2015/16 FY	–

#### Risk Management

NR	INDICATOR	MEASURABLE OBJECTIVE : To conduct Risk Management workshops to ensure good governance and to comply with legislation							
RIS2	Risk Assessment workshop conducted on emerging risks	2 Risk Assessment workshops conducted	2 Risk Assessment workshops conducted	Conducting 2 Risk Assessment workshops with Council departments on emerging risks by June 2015	2 Risk Assessment workshops conducted		–	–	2 Risk Assessments


# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION



### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
	2012/13	2013/14	Annual Target	Actual Performance				

#### Parks and Cemeteries

NR	INDICATOR	MEASURABLE OBJECTIVE : To advance aviation facilities to the community and to comply with legislation							
CEM1	Annual airport license approved	PC Pelser Airport license renewed. R3 720	PC Pelser Airport license renewed. R3 720	Renewing the annual PC Pelser Airport license to obtain authority to operate an airport at a cost of R5 000 by June 2015	PC Pelser Airport license renewed. R3 910		–	–	PC Pelser Airport license renewed. R5 000




### DIRECTORATE: FINANCIAL SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE : To resolve prior year's audit qualification from the audit report							
FIN1	Number of prior year's audit qualifications resolved from the Auditor-General	Qualifications decreased by 11%	0%	Resolving qualification numbers 7, 8, 10 & 11 on the prior year's audit Auditor-Generals report by June 2015	0 Qualifications resolved		The process to rectify issues are taking longer than planned	Continue with the audit preparation process	4 Qualification s 100% resolved
NR	INDICATOR	MEASURABLE OBJECTIVE : To improve the Supply Chain Management process							
FIN2	Supply Chain Management process improved	More than 3 months	More than 3 months	Improving the Supply Chain Management process by reducing the turn-around time from 6 months to 3 months by June 2015	3 Months		–	–	–

# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION





### DIRECTORATE: FINANCIAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Information and Communication Technology									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To renew the MicroSoft software license to comply with legislation					
ICT2	MicroSoft software license renewed	Software audited and licensed R1 518 908	Software audited & licensed R2 717 386	Renewing of the MicroSoft software license at a cost of R2 691 791 by September 2014	MicroSoft software license renewed. R2 284 341		–	–	MicroSoft software license renewed R2 000 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To plan an ICT integrated network infrastructure to provide remote access and services					
ICT3	Number of council employees trained	New project	45 Employees received informal training from BCX	Increasing the utilisation of the systems module in the financial system by training at least 70 council employees in-house by June 2015	123 Employees trained		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To acquire a system to maintain the Building Plan processes ( hard and software) to address the town-planning needs of the KOSH area					
ICT5	Building Plan processes ( hard and software) to address the town-planning needs of the KOSH acquired	Project not implemented R0	Project not implemented R0	Acquiring a system to maintain the Building Plan processes ( hard and software) to address the town-planning needs of the KOSH area at an amount of R730 000 by June 2015	The item has been approved and RQ Tech has been appointed as the service provider An official order was issued on the 08/05/2015 to acquire the software to maintain the Building Plan processes R215 232		R484 636 could not be spend to purchase the required hardware as this is an operating vote The asset manager only allows the purchasing of assets on a capital vote per the GRAP standards	The required hardware will be purchased during the 2015/16 financial year from the ICT hardware / software capital vote	–

# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

### DIRECTORATE: CORPORATE SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Occupational Health Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS inspections to ensure legal compliance and a safe working environment					
OHS1	Number of OHS inspections in Council departments conducted	131 OHS inspections conducted	120 OHS inspections conducted	Conducting 120 OHS inspections in Council departments by June 2015	120 OHS inspections conducted		–	–	120 OHS inspections
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS audits to ensure that all deviations be corrected according to the Act					
OHS2	Number OHS audits conducted	2 OHS audits conducted	2 OHS audits conducted	Conducting 2 OHS audits by June 2015	2 OHS audits conducted		–	–	2 OHS audits
Skills Development									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Workplace Skills Plan to comply with legislation					
SKIL6	Annual Employment Equity Report submitted to the Department of Labour	2011/12 EEP submitted on-line to the Department of Labour on 13 December 2012	EEP 2013/2014 submitted electronically to Department of Labour in January 2014	Electronically submitting the 2013/14 Employment Equity Report to Department of Labour by January 2015	2013/14 EE report submitted to Department of Labour on 14 January 2015		–	–	2014/15 EE report submitted to DoL by January 2016
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Employment Equity Consultative Forum meetings to comply with legislation and implementation of EE plan					
SKIL7	Number of EECF meetings conducted	10 EECF meetings	3 EECF meetings conducted	Conducting 4 EECF consultative meetings by June 2015	1 EECF consultative meeting conducted		No meeting was arranged due to the labour unions suspension of Sub-Committees	Meeting arranged for 9 July 2015	4 EECF meetings


# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION


### DIRECTORATE: CORPORATE SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
	2012/13	2013/14	Annual Target	Actual Performance				

#### Employee Assistance Programme


NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct training to create life skills awareness amongst employees					
EAP1	Number of training sessions conducted	New project	4 Life skills training session conducted	Conducting 4 life skills training session for council employees by June 2015	4 Life skills training sessions conducted		–	–	4 Life skills training sessions

#### Labour Relations

NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct training sessions on institution of disciplinary action to ensure effective conclusion of disciplinary matters					
LR2	Training sessions for post level 1 - 5 employees on institution of disciplinary action conducted	New project	2 Training sessions conducted	Conducting 2 training sessions for post level 1 - 5 employees on the collective agreement on disciplinary procedures by June 2015	2 Training sessions conducted		–	–	2 Training sessions

### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT


#### Communications and Marketing

NR	INDICATOR	MEASURABLE OBJECTIVE :		To distribute internal & external newsletters / papers to ensure transparency with Council affairs					
COM3	Number of internal newsletters compiled & distributed to all employees of Council	2 Internal newsletters distributed	4 Internal newsletters distributed	Compiling & distributing 6 internal newsletters to all employees of Council by June 2015	6 Internal newsletters distributed		–	–	6 Internal newsletters

# Chapter 3

## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION


### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Communications and Marketing									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To distribute internal & external newsletters / papers to ensure transparency with Council affairs					
COM4	Number of external newsletters / papers compiled & distributed regarding Council affairs to the community	10 External newspapers distributed	10 External newspapers distributed	Compiling & Distributing 8 external newspaper regarding Council affairs to the community June 2015	8 External newspapers distributed		–	–	6 External newspapers

# Chapter 3



## KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Office of the Executive Mayor									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To award and monitor bursaries and awards to students in KOSH area to assist with education					
EM2	Number of financially needed students in the KOSH area awarded and monitored	Awards approved. R1 187 500	31 Bursaries and 20 excellence awards. Monitoring not done yet R835 587	Awarding and monitoring financially needy students in the KOSH area to further their studies at a cost of R585 000 by June 2015	Monitoring was done telephonically Institutions confirmed that students are still at the Institutions		No progress report submitted		R860 000

### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

#### Local Economic Development

NR	INDICATOR	MEASURABLE OBJECTIVE : To conduct consultations meeting to share information with all relevant stakeholders						
LED4	Number of LED consultation meetings conducted with stakeholders	12 LED consultation meetings conducted	12 LED consultation meetings conducted	Conducting 12 LED consultation meetings with stakeholders by June 2015	12 LED consultation meetings conducted		–	12 LED consultation meetings
NR	INDICATOR	MEASURABLE OBJECTIVE : To conduct workshops to capacitate SMME's						
LED5	Number of SMME workshops conducted to capacitate SMME's	4 SMME workshops conducted	6 SMME workshops conducted	Conducting 4 SMME workshops to capacitate SMME's by June 2015	4 SMME workshops conducted		–	4 SMME workshops



# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
	2012/13	2013/14	Annual Target	Actual Performance				

#### Town-Planning and Building Survey


NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TBS1	R value income collected from building plan application	New project	R782 817	Collecting R698 750 from building plan applications by June 2015	R746 813		–	–	R849 600
TBS2	R value income collected from land use applications	New project	New project	Collecting R132 420 from land use applications by June 2015	R113 902		Land use application cannot be controlled	N/A	R150 000

### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

#### Sport and Recreation

NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
SPO3	R value income collected from rental agreements sport grounds	New project	Agreements signed R70 983	Collecting R81 450 income from rental agreements of sport grounds by June 2015	R99 872		–	–	R160 000





#### Licensing Services

NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIC1	R value income collected from driver's licenses	R6 869 659	R5 868 689	Collecting R5 000 000 income from driver's licenses (excluding Prodiba fees) by June 2015	R5 820 760		–	–	R6 500 000

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT




### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Licensing Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIC2	R value income collected from vehicle registration and licensing / renewals	R9 889 822	R10 337 606	Collecting R9 087 837 income from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT on commission by June 2015	R9 885 896		–	–	R 10 536 592
LIC3	R value income collected from motor vehicle testing	R925 103	R830 436	Collecting R439 490 income from Motor Vehicle Testing by June 2015	R501 792		–	–	R454 270
LIC4	R value income collected from businesses, hawkers and stands	R145 916	R414 045	Collecting R375 190 income from businesses, hawkers and stands by June 2015	R467 546		–	–	R339 310
Traffic and Municipal Court									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TRA5 3	R value income collected from special services	New project	New project	Collecting R186 170 on special services by June 2015	R149 981		Low collection rate	Plan developed to address all the key problem areas	R150 000

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT





### DIRECTORATE: FINANCIAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Revenue Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement the new valuation roll to comply with legislation					
RM2	New valuation roll (part 1) implemented	Service provider appointed. Project 80% completed. R1 304 627	Finalised for implementation and signed off by the Municipal Manager on 31/01/14 R5 442 403	Implementing the new valuation roll for the KOSH area at a cost of R1 000 000 by June 2015	Upload valuation roll on financial system R0		–	–	R700 000
Expenditure Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promptly paid all creditors to indicate the payment of creditors					
EXP1	All payments (creditors) be done within 30 days	More than 30 days	More than 30 days	All payments (creditors) be done within 30 days of receipt of invoice / statement by June 2015	162 Days		Cash flow constraints	This will only improve when the cash flow improves	95 % of all payments (creditors) done within 30 day
DIRECTORATE: CORPORATE SERVICES									
Administration									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
ADM7	R value income collected from rental of council halls	New project	New project	Collecting R288 629 on the rental of council halls by June 2015	R388 971		–	–	R373 430

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT




### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Communications and Marketing									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community					
COM1	R value spent on marketing activities	R289 049	20 Year 's of Democracy booklet printed R233 324	Spending R167 700 on marketing activities according to Marketing Plan by June 2015	Paying Star fm and marketing activities. R157 584		–	–	R200 000
COM2	R value spent on communication programmes	New project	Customer care booklet printed R217 263	Spending R200 000 on communication programmes (internal and external newsletters) by June 2015	R168 380		–	–	R200 000
Fresh Produce Market									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
FPM3	Total income collected from rental estate	R847 976	R907 020	Total income of R972 660 collected from rental estate by June 2015	R1 016 618		–	–	R100 000
FPM4	Total income collected from ripening and cooling rooms	R994 838	R1 349 162	Total income of R1 165 670 collected from ripening & cooling rooms by June 2015	R1 293 571		–	–	R1 200 000

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT





### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Fresh Produce Market									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
FPM5	Total income collected from market commission (dues)	R14 638 113	R15 418 449	Total income of R14 002 670 collected from market commission (dues) by June 2015	R14 928 306		–	–	R 19 000 000
FPM6	Total income collected from rental of carriages	R107 868	R140 140	Total income of R116 010 collected from rental of carriages by June 2015	R128 503		–	–	R100 000
FPM7	Total income collected from agent selling transaction fees	R79 630	R80 008	Total income R57 920 collected from agent selling transaction fees by June 2015	R62 948		–	–	R100 000

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop and implements a fleet management plan for effective vehicle control					
MM6	Fleet management plan developed and implemented for the City of Matlosana	New project	New project	Developing and implementing a fleet management plan for the City of Matlosana by June 2015	Not achieved		Designated committee failed to meet	Acting Municipal Manager to take action	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement the financial recovery plan to improve the municipal financial and administrative capability					
MM7	Financial recovery plan implemented for the City of Matlosana	New project	New project	Implementing a financial recovery plan for the City of Matlosana by June 2015	Draft plans submitted to National and Provincial Treasury for inputs		Awaiting feedback from National and Provincial Treasury	Follow-up the matter with the Administrator	–
Internal Audit									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Audit Committee Meetings to ensure good governance					
IA1	Number Audit Committee meetings held to ensure an effective discharging of responsibilities	4 Audit Committee meetings held	2 Audit Committee meetings held	Holding 4 Audit Committee meetings to ensure an effective discharging of responsibilities by June 2015	6 Audit Committee meetings held		–	–	4 Audit Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To adopt the Internal Audit Charter to comply with legislation					
IA5	Reviewed IA Charter adopted in accordance with IIA standards	Approved by Audit Committee	2014/15 Internal Audit Charter developed but not yet adopted by Council	Adopting the reviewed IA Charter (2015/16) in accordance with IIA standards by June 2015	Reviewed 2015/2016 Audit Charter adopted by the Audit Committee		–	–	Reviewed 2016/17 Audit Charter

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION





### DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Internal Audit									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue Performance Information Audit Reports to ensure compliance with legislation					
IA2	Number performance information audit reports issued to assess the efficiency and effectiveness of performance achieved	4 Performance information audit reports issued	4 Performance information audit reports issued	Issuing 4 Performance information audit reports to assess the efficiency and effectiveness of performance achieved by Council by June 2015	4 Performance information audit reports issued		–	–	4 Performance information audit reports
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue activity reports to ensure good governance					
IA4	Number activity reports issued to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans	4 Activity reports issued	3 Activity reports issued	Issuing 4 activity reports to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans by June 2015	4 Activity reports issued		–	–	4 Activity reports
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk Based Audit Plan to ensure					
IA6	3-Year Risk Based Audit Plan 2014/15 submitted to the Audit Committee for approval	3-Year 2013/14 and One-Year Risk-Based Audit Plan approved by the Audit Committee	2014/15 Risk Based Audit Plan developed but not yet submitted to Audit Committee	Submitting a 3-Year Risk Based Audit Plan 2015/16 to the Audit Committee for approval by June 2015	3-Year Risk Based Audit Plan 2015/16 approved by the Audit Committee on the 30 June 2015		–	–	3-Year Risk Based Audit Plan 2016/17

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION





### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Performance Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Annual Performance Report to comply with section 46 of the MSA					
PMS1	2013/14 Annual Performance Report approved by Municipal Manager	2011/12 Annual Performance Report approved	2012/13 Annual Performance Report approved	Approving 2013/14 Annual Performance Report by Municipal Manager by August 2013	2013/14 Annual Performance Report approved by MM on 28 August 2014		–	–	2015/16 Annual Performance Report by August 2015
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Draft / Unaudited Annual Report to comply with section 121 and Circular 63 of MFMA					
PMS2	Draft / Unaudited 2013/14 Annual Report tabled before Council	New project	Draft 2012/13 Annual Report tabled CC 129/2013 dated 25/09/2013	Tabling the Draft / Unaudited 2013/14 Annual Report before Council by 30 September 2014	Draft / Unaudited 2013/14 Annual Report tabled CC 106/2014 dated 28/08/2014 Hand delivered to AG on 29 Aug 2014		–	–	Draft / Unaudited 2015/16 Annual Report by 30 September 2015
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Mid-Year Assessment Report to comply with section 72 of the MFMA					
PMS4	2014/15 Mid-Year Assessment Report approved by the Executive Mayor	2012/13 Mid-Year Assessment Report approved (MM CC 38/2013 dated 25 January 2013)	2014/15 Mid-Year Assessment Report approved MM 5/2014 dated 23/1/2014	Approving the 2014/15 Mid-Year Assessment Report by the Executive Mayor by 23 January 2015	2014/15 Mid-Year Assessment Report approved SP CC 2/2015 dated 30 January 2015		–	–	2015/16 Mid-Year Assessment Report by 23 January 2016
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft SDBIP to comply with legislation					
PMS5	Draft 2015/16 SDBIP tabled by Council	Draft 2013/14 SDBIP approved CC 64/2013 dated 07 June 2013	Draft 2014/15 SDBIP tabled CC 58/2014 dated 30 May 2014	Tabling draft 2015/16 SDBIP by Council by May 2015	Draft 2015/16 SDBIP tabled SP CC 38/2015 dated 29 May 2015		–	–	Draft 2016/17 SDBIP by May 2016

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Integrated Development									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the IDP Process Plan to indicate key deadlines					
IDP1	2014/15 IDP process plan reviewed and tabled by Council	2013/14 IDP process plan approved by MayCo Item 3 dated 20/08/2012	2014/15 IDP Process Plan tabled CC 109/2013 dated 29/08/2013	Tabling the reviewed 2014/15 IDP process plan before Council by August 2014	IDP Process plan reviewed and tabled CC 103/2014 dated 28/08/2014		–	–	2015/16 IDP Process Plan reviewed by August 2015
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation to comply with legislation and obtain inputs from local community for prioritization of projects					
IDP2	Number community consultations meetings conducted	2 Community consultations meetings conducted	2 Community consultations meetings conducted	Conducting 2 community consultations meetings by May 2015	2 Community consultations meetings conducted		–	–	2 Community consultations meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation to comply with legislation and obtain inputs from external sector departments					
IDP3	Number Rep Forum meetings conducted	3 Rep Forum meetings conducted	2 Rep Forum meetings conducted	Conducting 2 Rep Forum meetings by June 2015	2 Rep Forum meetings conducted		–	–	2 Rep Forum meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft IDP to comply with legislation					
IDP4	Table the draft 2015/16 IDP in Council	Draft 2013/14 IDP approved CC 40/2013 dated 28/03/2013	Draft 2014/15 IDP tabled CC 46/2014 dated 31 March 2014	Tabling the draft 2015/16 IDP in Council by March 2015	Draft 2015/16 IDP tabled SP CC19/2015 dated 31 March 2015		–	–	Draft 2016/17 IDP by March 2016

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION



### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Integrated Development									
NR	INDICATOR	MEASURABLE OBJECTIVE : To invite public comments after the tabling of the draft IDP to comply with legislation and to obtain inputs from the community							
IDP5	Public comments invited by Council after tabling of the draft 2015/16 IDP	Public comments invited	Public comments invited	Inviting public comments after the tabling of the draft 2015/16 IDP for inputs from the community by April 2015	Public comments invited Record & Lentswe of 10 April 2015		–	–	Public comments invited by April 2016
Risk Management									
NR	INDICATOR	MEASURABLE OBJECTIVE : To submit a Risk management report to the Audit committee to ensure good governance							
RIS1	Risk management report submitted to the Audit committee	None	5 Risk management reports submitted	Submitting 4 risk management reports to ensure an effective risk management process to the Audit committee by June 2015	4 Risk management reports submitted		–	–	4 Risk management reports
Municipal Public Accounts Committee (MPAC)									
NR	INDICATOR	MEASURABLE OBJECTIVE : To enhance public participation on the results of the Annual Report to comply with legislation							
MPAC3	Number of public participation meetings conducted on the results of the Annual Report	New project	New project	Conducting 1 public participation meeting on the results of the Annual Report by March 2015	1 Public participation meeting conducted on 19 March 2015		–	–	1 Public participation meeting

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Municipal Public Accounts Committee (MPAC)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To monitor the municipality's performance and financial situation by conducting regular MPAC meeting					
MPAC1	Number of MPAC (s 79) meetings to monitor the performance and financial situation in the City of Matlosana conducted	New project	New project	Conducting 24 MPAC (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by June 2015	18 MPAC meetings conducted		No meeting required since there hasn't been any movement on the implementation of OR 2013/2014 recommendations, as a result of undefined or unclear role clarification between the Administrator / Forensic and MPAC particularly on the audit findings relating to financial irregularities	Roles clarification to be established	10 Public participation (s 79) meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue MPAC progress reports to ensure compliance with legislation					
MPAC2	Number of MPAC progress reports issued to council which assess the efficiency and effectiveness of performance and finances of council	New project	New project	Issuing 4 MPAC progress reports to council which assess the efficiency and effectiveness of performance and finances achieved by council by June 2015	3 MPAC progress reports submitted		No movement on the implementation of OR 2013/2014 recommendations, as a result of undefined or unclear role clarification between the Administrator / Forensic and MPAC particularly on the audit findings relating to financial irregularities	Roles clarification to be established	4 MPAC progress reports


# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS


Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
	2012/13	2013/14	Annual Target	Actual Performance				


#### Municipal Public Accounts Committee (MPAC)

NR	INDICATOR	MEASURABLE OBJECTIVE : To conduct public hearings on the final report of the Auditor-General to comply with legislation							
MPAC4	Number of public hearings conducted on the final report of the Auditor-General	New project	New project	Conducting 2 public hearings on the final report of the Auditor-General by March 2015	2 Public hearings conducted		–	–	1 Public participation meeting

### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

#### Parks and Cemeteries

NR	INDICATOR	MEASURABLE OBJECTIVE : To manage the airport effectively to comply with legislation							
CEM2	Number of inspections conducted at airport	4 Inspections conducted	4 Inspections conducted	Conducting 4 inspections at PC Pelsers Airport to ensure aviation safety by June 2015	4 Inspections conducted		–	–	4 Inspections

NR	INDICATOR	MEASURABLE OBJECTIVE : To host annual harbour event for the community of Matlosana (educational project) to promote a sustainable environment							
PAR1	Number of harbour events hosted	1 Harbour Day hosted	1 Harbour Day hosted	Hosting 1 Harbour Day event (educational project) by September 2014	1 Harbour Day hosted		–	–	1 Harbour Day




#### Library Services

NR	INDICATOR	MEASURABLE OBJECTIVE : To present awareness programmes to promote library awareness amongst adults, learners and youth							
LIB4	Number of library interest events presented	15 library interest events presented	45 library interest events presented	Presenting 40 library interest events in the KOSH area by June 2015	53 library interest events presented		–	–	45 Library interest events

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION



### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Library Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To present awareness programmes to promote library awareness amongst adults, learners and youth					
LIB2	Number of awareness programmes presented at all KOSH schools	20 Awareness programmes presented	21 Awareness programmes presented	Presenting 16 awareness programmes at schools and other venues in the KOSH area by June 2015	24 Awareness programmes presented		–	–	20 Awareness programmes
LIB3	Number of awareness programmes presented at libraries in the KOSH area	143 Awareness programmes presented	123 Awareness programmes presented	Presenting 110 awareness programmes at all KOSH libraries by June 2015	145 Awareness programmes presented		–	–	120 Awareness programmes
Museum and Heritage Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners					
MUS1	Number of consultation sessions convened	88 Consultation sessions convened	100 Consultation sessions convened	Convening at least 95 consultation sessions with formal and informal educators to create heritage awareness and disseminate educational content by June 2015	109 Consultation sessions convened		–	–	110 Consultation sessions

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Museum and Heritage Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners					
MUS2	Number of lifelong skills development programs presented	32 Lifelong skills development programs presented	34 Lifelong skills development programs presented	Presenting at least 30 lifelong skills development pro-grams to unemployed women, youth and physical disadvantage persons to empower them to develop entrepreneurial skills by June 2015	36 Lifelong skills development programs presented		–	–	30 Lifelong skills development programs
MUS3	Number of educational programs presented	95 Educational programs presented	101 Educational programs presented	Presenting at least 95 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of KOSH in particular by June 2015	99 Educational programs presented		–	–	100 Educational programs

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Museum and Heritage Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage heritage resources by promoting heritage awareness					
MUS4	Number of heritage awareness projects convened	12 Heritage awareness projects convened	11 Heritage awareness projects convened	Convening 10 heritage awareness projects to disseminate knowledge regarding heritage conservation and promote cultural heritage and national unity by June 2015	10 Heritage awareness projects convened		–	–	10 Heritage awareness projects
Sport and Recreation									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure sound sport administration					
SPO1	Number of sport council meetings held	7 Sport council meetings conducted	4 Sport council meetings conducted	Conducting 6 sport council meetings to ensure the smooth running of sport clubs by June 2015	6 Sport council meetings conducted		–	–	6 Sport council meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct sport events to develop sport in the KOSH area					
SPO2	Number of sport events conducted	New project	3 Sport events conducted	Conducting 4 sport events to ensure the promotion of sport in the KOSH area at a cost of R201 060 by June 2015	5 Sport events conducted		–	–	4 Sport events

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION





### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Health and Occupational Health Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement the Medical Surveillance Policy to comply with OHS legislation					
HEA1	Medical Surveillance Policy implemented on approval by Council	New project	New project	Approving and implementing a Medical Surveillance Policy for Council by June 2015	Policy not been discussed		The matter has not been tabled at the Local Labour Forum and until the LLF recommends the policy it cannot be approved by Council	Table the policy at the Local Labour Forum	Medical Surveillance Policy approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote health status					
HEA2	Health awareness campaigns for Council employees conducted	4 Health awareness campaigns conducted	5 Health awareness campaigns conducted	Conducting 4 health awareness campaigns for Council employees by June 2015	5 Health awareness campaigns conducted		–	–	4 Health awareness campaigns
Traffic and Municipal Court									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
TRA2	Number of traffic and road safety campaigns conducted at schools and crèches	31 Traffic and road safety campaigns conducted	36 Traffic and road safety campaigns conducted	Conducting 36 traffic and road safety campaigns at schools and crèches in the KOSH area according to programme by June 2015	31 Traffic and road safety campaigns conducted		Due to the fact that plenty of warrants of arrest were outstanding, the section decided to rather focus on the executing of the warrants process	Plan developed to address all the key problem areas	236 Campaigns R43 059

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: FINANCIAL SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Finance and Budget									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD6	2015/16 Budget planning process time table tabled	2013/14 Budget Planning Process approved by MayCo dated 20 August 2012	2014/15 Budget Process Plan tabled CC 109/2013 dated 29 August 2013	Tabling the 2015/16 budget planning process time table by 31 August 2014	2015/16 Budget Process Plan tabled and approved. CC 102/2014 dated 28/08/2014		–	–	2016/17 Budget policies & tariffs approved
BUD7	2015/16 Draft budget approved	2013/14 draft budget approved CC 40/2013 dated 28 March /2013	2014/15 Draft budget approved CC 48/2014 dated 15 April 2014	Approving the 2015/16 draft budget by March 2015	2015/16 Draft Budget approved CC 18/2015 dated 31/03/2015		–	–	2016/17 Draft budget approved
BUD9	2015/16 Budget related policies approved	2013/14 financial policies and tariffs approved CC 66/2013 dated 14 June 2013	2014/15 Budget policies & tariffs approved CC 74/2014 dated 17 June 2014	Approving the final 2015/16 budget related policies and tariffs by May 2015	2015/16 Budget policies & tariffs approved SP CC 36/2015 dated 29 May 2015		–	–	2016/17 Budget policies & tariffs approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Adjustment Budget to comply with legislation					
BUD10	2014/15 adjustment budget approved	2012/13 Adjustment budget approved CC25/2013 dated 28 February 2013	2013/14 Adjustment Budget approved CC 47/2014 dated 15 April 2014	Approving the 2014/15 adjustment budget by 28 February 2015	2014/15 Adjustment budget approved CC 12/2015 dated 12/03/2015		Was approved only on 12/03/2015 because of the assistance of NT	N/A	2015/16 Adjustment Budget approved

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### DIRECTORATE: FINANCIAL SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Information and Communication Technology									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To resolve the reported issues to obtain a clean IT Audit report					
ICT4	Number of reported issues in IT Audit Report for the Financial year 2013/14 resolved	New project	New project	Resolving the 2 reported issues (Disaster Recovery and Business Continuity Plan implemented and Corporate Governance ICT Policy) in the IT Audit Report for the Financial year 2013/14 by March 2015	Not achieved		No budget available to utilise external service provider to achieve this KPI	Budget for the financial year 2015/16 approved	Resolve 100% of all IT queries received within 10 working days
Supply Chain Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM1	Number of meetings of the Specification Committee conducted	New project	11 Specification committee meetings conducted	Conducting at least 8 meetings of the Specification Committee by June 2015	9 Specification committee meetings conducted		–	–	–
SCM2	Number of meetings of the Evaluation Committee conducted	New project	27 Evaluation committee meetings conducted	Conducting at least 12 meetings of the Evaluation Committee by June 2015	10 Evaluation committee meetings conducted		There were no advertisements in the 4th quarter Open Waters busy with forensic audit in SCM	N/A	12 Evaluation committee meetings




# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### DIRECTORATE: FINANCIAL SERVICES


Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
	2012/13	2013/14	Annual Target	Actual Performance				

#### Health and Occupational Health Services

NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM3	Number of meetings of the Adjudication Committee conducted	21 Adjudication committee meetings conducted	16 Adjudication committee meetings conducted	Conducting at least 8 meetings of the Adjudication Committee by June 2015	12 Adjudication committee meetings conducted		–	–	8 Adjudication committee meetings
SCM4	Number of SCM workshops for Council employees conducted	1 SCM workshop conducted	2 SCM workshop conducted	Conducting 4 SCM workshops for Council employees by June 2015	1 SCM workshop conducted		Due to forensic audit in SCM no workshops were planned for the remainder of the year	Will conduct workshops in the 2015/16 FY	4 SCM workshops
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Supply Chain Management policy to comply with legislation					
SCM5	Supply Chain Management policy implemented	4 Quarterly reports submitted	4 Quarterly reports submitted	Submitting 4 quarterly reports on the implementation of SCM policy to Council and make public by June 2015	4 Quarterly reports submitted		–	–	4 Quarterly reports

### DIRECTORATE: CORPORATE SERVICES




#### Administration

NR	INDICATOR	MEASURABLE OBJECTIVE :		To hold section 80 committees meetings held to ensure comply with legislation to take informed decisions					
ADM1	Number of sec.80 committees meetings (Port-folio Meetings) conducted	70 Portfolio Committee and 10 Special Meetings	60 (sec. 80 ) committees meetings and 13 special meetings conducted	Conducting 60 (sec.80 ) committees meetings (Portfolio Meetings) by June 2015	72 (sec.80 ) committees and 13 special committee meetings conducted		–	–	60 (sec.80 ) committees meetings

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: CORPORATE SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Administration									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Mayoral Committee meetings to comply with legislation to align with political mandate					
ADM2	Number of Mayoral Committee meetings conducted	7 Mayoral Committee & 18 SP Mayoral Committee meetings conducted	6 Mayoral Committee & 12 Special Mayoral Committee meetings conducted	Conducting 6 Mayoral Committee and 6 Special Mayoral Committee meetings by June 2015 - Section 139 (1)(b) - Administrator	4 Mayoral Committee, 3 Administrator and 11 Special Mayoral Committee meetings conducted		–	–	6 Administrator Mayoral Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective Council administration and compliance with legislation in order to convey feedback after considering political and community mandate					
ADM3	Number of ordinary Council meetings conducted	7 Ordinary and 12 special meetings and four policy workshops	6 Council and 13 Special Council meetings conducted	Conducting 6 Council meetings by June 2015	6 Council and 14 Special Council meetings conducted		–	–	6 Council meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To review and approve the records classification system to compliance with legislation					
ADM4	Records classification system (filing system, records, control schedules and classification systems for electronic system of all components) be approved by Prov and Nat Archivists	New project	New project	Submitting and approving the records classification system (filing system, records, control schedules and classification systems for electronic systems of all components) by Provincial and National Archivist by June 2015	Records Classification System approved by Provincial Archives Not to be send to National See Council resolution CC 153/2014		–	–	–

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: CORPORATE SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Administration									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To review and approve the records management policy to compliance with legislation					
ADM5	Records management policy be approved	New project	New project	Submitting and approving the records management policy by Council by June 2015	Policy approved on 25 November 2014 and work shopped on 16 & 25 February 2015		–	–	Records Manger appointed
NR	INDICATOR	MEASURABLE OBJECTIVE :		To source funding for implementation of the approved records classification system to compliance with legislation					
ADM6	Funds for the implementation of the approved records classification system sourced	New project	New project	Sourcing funds for the implementation of the approved records classification system by June 2015	R300 000 received from MSIG		–	–	–
Legal Services and Land Affairs									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the Council's Contract Register to ensure proper control and keeping of record of contracts					
LEG1	Contract management system managed and relevant departments informed within 3 months of expiry of contracts	Contract Management Procedure Manual has been signed by the MM on 12/12/2012	Notices were issued and register updated when necessary	Managing the Contract Register of Council and informing relevant departments of expiry dates of contracts within 3 months of expiry of the contract by June 2015	Notices were sent out for this quarter Register was updated and a progress report was submitted to Council		–	–	Notices issued Updated Register Progress report to Council

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION


### DIRECTORATE: CORPORATE SERVICES

Operational	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Legal Services and Land Affairs									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Land Alienation and Lease of Council Land policies to comply with legislation and the fair allocation of land					
LAN1	Land Alienation and Lease of Council Land policies approved	Workshop conducted on 03/06/2013	Policy finalised and awaiting Councillors' Policy Workshop	Approving the Land Alienation and Lease of Council Land policy to expedite the disposal and transfer of Council land and to regulate market related rental value respectively by September 2014	Land Alienation and Lease of Council Land policies approved CC 164/2014 dated 25/11/2104		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To recover non-paid Council sold stands to address the shortage of land for Council					
LAN2	Non-paid Council sold stands older than 10 years recovered	Report was submitted to Council during May 2013.	Process of writing letters of intent still on-going Already cancelled several contracts	Recovering all non-paid Council sold stands older than 10 years by June 2015	Progress report submitted to Council in May 2015 (Recommendation 15)		–	–	Recover resolved stands
Office of the Executive Mayor									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host a Mandela Day event to do goodwill to each other					
EM3	Mandela Day event hosted	Mandela Day event hosted R45 058	1 Mandela Day event hosted and 1 Memorial service held R106 158	Hosting 1 Mandela Day event at a cost of R70 000 by July 2014	Mandela Day hosted on 18 July 2014 R60 132		–	–	1 Mandela Day event R70 000

# Chapter 3




## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### DIRECTORATE: CORPORATE SERVICES

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Office of the Executive Mayor									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host a youth day event to celebrate fallen heroes and heroines					
EM4	Youth Day event hosted	New project	New project	Hosting 1 Youth Day event at a cost of R16 000 by June 2015	1 Youth Day event hosted. R15 300		–	–	–

### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT




#### Local Economic Development

NR	INDICATOR	MEASURABLE OBJECTIVE :						
		To revise the SMME Policy in order to comply with legislation						
LED6	SMME Policy revised	New project	New project	Revising the SMME Policy by June 2015	Policy submitted to Council		Council did not sit during June 2015	To be work shopped on the 21 and 22 July 2015
		Revised SMME Policy approved						
NR	INDICATOR	MEASURABLE OBJECTIVE :						
		To revise the Informal Traders Policy in order to comply with legislation						
LED7	Informal Traders Policy revised	New project	New project	Revising the Informal Traders Policy by June 2015	Policy submitted to Council		Council did not sit during June 2015	To be work shopped on the 21 and 22 July 2015
		Revised Informal Traders Policy approved						
NR	INDICATOR	MEASURABLE OBJECTIVE :						
		To revise the Cooperatives Policy in order to comply with legislation						
LED8	Co-operatives Policy revised	New project	New project	Revising the Co-operatives Policy by June 2015	Policy submitted to Council		Council did not sit during June 2015	To be work shopped on the 21 and 22 July 2015
		Revised Cooperatives Policy approved						

# Chapter 3

## KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION




### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

Operational		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Communications and Marketing									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Events Management Policy to create internal and external awareness on corporate communication					
COM5	Events Management Policy approved	Workshop held on 12 June 2013	Policy drafted	Approving of the Events Management Policy by June 2015	Policy submitted to Council		Council did not sit during June 2015	To be work shopped on the 21 and 22 July 2015	Events Management Policy approved
Fresh Produce Market									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the Market Policy in order to comply with legislation					
FPM1	Market Policy revised	New project	New project	Revising the Market Policy by June 2015	Policy submitted to Council		Council did not sit during June 2015	To be work shopped on the 21 and 22 July 2015	Revised Market Policy approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the market by-law in order to give effect to the approved market policy					
FPM2	Market By-Law revised	New project	New project	Revising the Market By-Law by June 2015	Policy submitted to Council		Council did not sit during June 2015	To be work shopped on the 21 and 22 July 2015	Revised Market Policy approved

## 11

# Outcome 9 Indicators from National Government





# Chapter 3

SERVICE DELIVERY									
DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS									
Outcome 9	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Roads and Storm-Water Drainage									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To grade roads to maintain the existing road infrastructure					
ROA11	Km roads graded in the KOSH area	8,4 Km of new roads constructed	42,88 Km roads graded R2 500 021	Grading of 20 km roads in the KOSH as per programme at a cost of R3 289 515 by June 2015	34,86 Km roads graded R2 997 586		–	–	48 Km roads R4 000 000
FINANCIAL, ADMINISTRATIVE AND CAPACITY									
DIRECTORATE: FINANCIAL SERVICES									
Revenue Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue for property rates to comply with legislation (Implementation of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004))					
RM1	% of budgeted revenue for property rates collected	88%	86.02%	70% of budgeted revenue for property rates collected by June 2015	92%		–	–	82 %
NR	INDICATOR	MEASURABLE OBJECTIVE :		To identify the grants received as revenue to better service delivery					
BUD12	Grants as a % of requested grants	100%	100%	Receiving 100% of requested grants by June 2015	96%		The Equitable Share of R40 million will be offset in 2015/16	All grants should be fully spent to avoid withdrawal from National Treasury.	100%

# Chapter 3

## FINANCIAL, ADMINISTRATIVE AND CAPACITY





### DIRECTORATE: FINANCIAL SERVICES

Outcome 9		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Revenue Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control debt management to ensure financial sustainability					
REV1	% value debtors outstanding as a % of own revenue	29%	61%	Percentage of rand value debtors outstanding as 25% of own revenue by June 2015	130%		Credit Control disconnections and restriction done internally, not enough capacity Eskom supplies electricity to Tigane, Khuma and Kanana therefore disconnections of electricity cannot be done	Additional capacity to be appointed by civil directorate to increase credit control actions	25%
REV2	% of debt over 90 days	86%	88%	Reduce debt over 90 days from 90% to 70% by June 2015	70%			Internal staff to take over matters previous allocated to external debt collectors	80%
REV3	Debt collected as a % of money owed to the municipality	7,2%	76%	Collecting 70% of money owed to the municipality by June 2015	76%			Water restrictions to be done by Department of Water in areas where Council does not supply electricity	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To increase Payments Received vs. Monthly Levies (Collection rate of billings)					
REV4	To increase Payments Received vs Monthly Levies (Collection rate of billings)	8% increase (from previous 80% to 88%)	2% increase (from previous 80% to 88%)	8% Increase (from current 80% to 88%) in annual service debtors collection rate by June 2015	8% increase (from previous 80% to 88%)		–	–	5% Increase

# Chapter 3

## FINANCIAL, ADMINISTRATIVE AND CAPACITY




### DIRECTORATE: FINANCIAL SERVICES

Outcome 9	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Expenditure Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD1	Operational expenditure as a percentage of planned expenditure	R1 683 509 178 96%	R2 064 221 146 97%	Operational expenditure as a percentage of planned expenditure (R2 582 184 345) by June 2015	R2 239 585 785 98.66%		Deviation due to cash flow restrictions and outstanding invoices not captured as creditors	Increase in expenditure, capturing of all outstanding invoices	
BUD3	% of operational budget spent on repairs and maintenance	R42 089 482 75%	R45 121 254 66%	4% of operational budget spent on repairs and maintenance by June 2015	R52 394 641 2.3%		Deviation due to cash flow restrictions and outstanding invoices not captured as creditors.	Increase in expenditure, capturing of all outstanding invoices	R78 131 164
Financial Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD8	Final 2015/16 budget approved	Final 2013/14 Budget approved CC 66/2013 dated 14 June 2013	2014/15 Budget approved CC 74/2014 dated 17 June 2014	Approving the final 2015/16 budget by May 2015	2015/16 Budget approved SP CC 36/2015 dated 29 May 2015		–	–	Final 2016/17 budget approved by May 2016
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit the 2013/14 Financial Statements on time to comply with legislation					
BUD11	2013/14 financial statements submitted to the Auditor-General	2011/12 Financial Statements submitted to Auditor-General 31 August 2012	2012/13 Financial Statements submitted to Auditor-General 31 August 2013	Submitting the 2013/14 financial statements to the Auditor-General by 31 August 2014	2013/14 Financial Statements submitted to AG on 29 August 2014		–	–	2014/15 financial statements to the AG by 31 August 2015




# Chapter 3

## INTEGRATED DEVELOPMENT PLANNING

### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Outcome 9		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Performance Management									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Audited Annual Report to comply with section 121 of MFMA					
PMS3	Audited 2013/14 Annual Report tabled before Council	2011/12Annual Report tabled. CC 22/2013 dated 31 January 2013	2012/13 Annual Report tabled. CC 20/2014 dated 31 January 2014	Tabling the Audited 2013/14 Annual Report before Council by 31 January 2015	2013/14 Annual Report tabled. MM 32/2015 dated 22 January 2015 SP CC 1/2015 dated 30 January 2015		–	–	Audited 2014/15 Annual Report tabled before Council by 31 January 2016
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final SDBIP to ensure compliance with legislation					
PMS6	Final 2015/16 SDBIP approved by Executive Mayor	Final 2013/14 SDBIP approved EM 16/2013 dated 28 July 2013	Final 2014/15 SDBIP approved MM 145/2014 dated 27 June 2014 EM 25/2014 dated 04 July 2014	Approving final 2015/16 SDBIP by Executive Mayor (28 days after approval of budget) by June 2015	Final 2015/16 SDBIP approved MM 97/2015 dated 12 June 2015 ADM 21/2015 dated 25 June 2015		–	–	Final 2016/17 SDBIP approved by June 2016
Integrated Development Planning									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final IDP to comply with legislation					
IDP6	Final 2015/16 IDP approved by Council	Final 2013/14 IDP approved CC 66/2013 dated 17 June 2013	Final 2014/15 IDP approved CC 74/2014 dated 17 June 2014	Approving final 2015/16 IDP by Council by May 2015	Final 2015/16 IDP approved SP CC 37/2015 dated 29 May 2015		–	–	Final 2016/17 IDP approved by May 2016

# Chapter 3

ADMINISTRATION									
DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL									
Outcome 9	Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year	
	2012/13	2013/14	Annual Target	Actual Performance					
Reduce Corruption									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the Risk Register to determine the linkage between departmental objectives and risk activity					
RIS3	Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	New indicator	2013/14 Risk Register revised 2014/15 Risk register compiled and submitted to Internal Audit	Revising the 2014/15 Risk Register to determine the linkage between departmental objectives and risk activity and approving the 2015/16 Risk Register by June 2015	2014/15 Risk register was reviewed in May/June 2015 and the 2015/16 Risk register was approved on 30 June 2015 by the Audit Committee		–	–	2015/16 Risk Register revised and 2016/17 Risk Register approved by June 2015
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement the Fraud and Anti-Corruption Prevention Plan for the municipality to ensure good governance and to comply with legislation					
RIS4	Fraud and Anti-Corruption Plan implemented and assessed	Fraud and Corruption Prevention Policy developed and work shopped	Fraud and Corruption Prevention Policy approved CC 29/2014 dated 29/03/2014	Implementing the Fraud and Anti-Corruption Plan with council employees and assessing a sample of at least 500 council employees by June 2015	503 Employees assessed Report to Council		–	–	–
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Oversight Report to comply with s.129(1) of the MFMA					
MPAC5	2013/14 Oversight Report tabled before Council	New indicator	New indicator	Tabling the 2013/14 Oversight Report before Council by 31 March 2015	2013/14 Oversight Report tabled CC15/2015 dated 31 March 2015		–	–	2014/15 Oversight Report tabled by 31 Mar 2016

# Chapter 3



## LABOUR RELATIONS

### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Outcome 9		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To sign the Performance Agreements to comply with legislation					
PMS7	2015/16 Performance Agreements with section 54A and 56 employees signed	2013/14 Performance Agreements signed 28 June 2013	2014/15 Performance Agreements signed 27 June 2014	Signing 2015/16 Performance Agreements with section 54A& 56 employees by June 2015	2015/16 Performance Agreements signed on 25 June 2015		–	–	2016/17 Performance Agreements signed by June 2016
NR	INDICATOR	MEASURABLE OBJECTIVE :		To hold LLF meetings to ensure industrial harmony					
LR1	Number of LLF meetings conducted	10 LLF meetings convened	9 LLF meetings convened	Convening 11 LLF meetings by June 2015	12 LLF meetings convened		–	–	11 LLF meetings convened

## GOVERNANCE / PUBLIC PARTICIPATION


### DIRECTORATE: CORPORATE SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation as per legislation to identify community needs and concerns and to inform the community of programmes of Council					
EM1	Number of Imbizos conducted	9 Imbizos conducted R247 668	22 Imbizos conducted R237154	Conducting 18 Imbizos in the KOSH area at a cost of R150 000 by June 2015	16 Imbizos conducted R104 467		Meetings in Kanana and Orkney were cancelled due to riots	Residents could have attended scheduled meetings in Jouberton and Klerksdorp	18 Imbizos R150 000
SPE1	Number of Operational Phakamas conducted	4 Operational Phakamas conducted In conjunction with mass meetings	2 Operational Phakamas conducted	Conducting 8 Operational Phakamas in identified wards by June 2015	8 Operational Phakamas conducted In conjunction with mass meetings		–	–	–

# Chapter 3


## GOVERNANCE / PUBLIC PARTICIPATION

### DIRECTORATE: CORPORATE SERVICES

Outcome 9		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Community Development Plan to identify community needs, challenges and to comply with legislation					
SPE2	Community Based Plan (CBP) implemented	Community Based Plan (CBP) implemented R971 510	Report submitted to council during September 2013 R1810367	Implementing the Community Based Plan (CBP) in 35 wards and submitting report to Council at a cost of R1 500 000 by June 2015	Field Workers are allocated to all 35 wards of Matlosana. A quarterly report of the activities of the Field workers will be presented to council in November 2014. Progress report submitted to Council. R1 580 490		–	–	CBP in 35 wards R1 600 000

## LED / ENABLING ENVIRONMENT

### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure alignment between LED strategies and PGDS to synergize the communication between the three spheres of government					
LED3	Number of co-operatives established and functional	2013/14 LED strategy and plans approved and aligned CC 116/2012 dated 29 November 2012	2014/15 LED strategy and plans approved and aligned MayCo 249/2014 dated 19 May 2014	4 Co-operatives (1 per township ) in KOSH area established and functional at a cost of R20 000 by June 2015	4 Co-operatives established – Vaal Reefs (Agri farm); Khuma (Agri farm); Hartbeesfontein (Semogare Cooperative); R 16 185 Jouberton funded by Anglo Gold		–	–	4 Co-operatives R200 000





## 12

# National Key Performance Indicators

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT





### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Water Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)					
WAT4	Number and % of households with access to basic level of water - <b>Urban area</b>	158 504 Households 100%	161 522 Households 100%	161 522 and 100% of households with access to basic level of water by June 2015 - Urban Settlements	163 612 Households 100%				165 815 Households 100%
WAT5	Number of households without access to basic level of water - <b>Urban area</b>	0 Households	0 Households	Zero Households without access to basic level of water by June 2015 - Urban Settlements (Squatters on unpromulgated land)	0 Households				0 Households
WAT6	Nr of backlogs eliminated - <b>Urban area</b>	0 Backlogs eliminated	0 Backlogs eliminated	No water backlogs eliminated by June 2015 - Urban Settlements (Squatters on unpromulgated land)	0 Backlogs to eliminate				0 Backlogs to eliminate
WAT7	Nr and % of households with access to basic level of water - <b>Rural area</b>	1 845 Households 71%	1 845 Households 71%	2 045 and 75% of households with access to basic level of water by June 2015 - Rural Settlements	2 786 Households 77%				4 000 Households 95%

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT





### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Water Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)					
WAT8	Nr of households without access to basic level of water - Rural area	1 845 Households	742 Households	1 645 Households without access to basic level of water by June 2015 - Rural Settlements	827 Households				214 Households
WAT9	Nr of backlogs eliminated - Rural area	141 Backlogs eliminated	0 Backlogs eliminated	200 Water backlogs eliminated by June 2015 - Rural Settlements (No funds available)	312 Backlogs eliminated (Communal taps)				214 Backlogs eliminated (Communal taps)
Sanitation Services									
SAN7	Nr and % of households with access to basic level of sanitation - Urban area	156,195 Households 99,4%	158 360 Households 98%	159 605 and 95 % of households with access to basic level of sanitation by June 2015 - Urban Settlements	162 057 Households 99%				161 422 Households 98.24%
SAN8	Nr of household backlogs without access to basic level of sanitation - Urban area	3,565 Households (Buckets)	3 174 Households (Buckets)	3 174 Households without access to basic level of sanitation by June 2015 - Urban Settlements	1 555 Households (Buckets)				2 500 Households (Buckets)

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT





### DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Sanitation Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)					
SAN9	Nr of backlogs eliminated - Urban area	0 Backlogs eliminated	195 Backlogs eliminated	196 Backlogs eliminated by June 2015 (bucket eradication) Completion of incomplete toilets - Urban Settlements	293 Backlogs eliminated				214 Backlogs eliminated
SAN10	Nr and % of households with access to basic level of sanitation - Rural area	2 575 Households 100%	2,575 Households 100% (Ventilated pit toilets)	2 575 and 100% Households with access to basic level of sanitation by June 2015 - Rural Settlements	2,575 Households 80% (Ventilated pit toilets)				2,575 Households 80% (Ventilated pit toilets)
SAN11	Nr of household without access to basic level of sanitation – Rural area	0 Households	0 Households	Zero households without access to basic level of sanitation by June 2015 - Rural Settlements	728 Households		Influx of mushrooming squatters	Request Department of Human Settlements to assist	500 Households
SAN12	Nr of backlogs eliminated – Rural area	0 Backlogs eliminated	0 Backlogs eliminated	Zero sanitation backlogs eliminated by June 2015 - Rural Settlements	0 Backlogs eliminated (Cannot install services on un-proclaimed land)				0 Backlogs eliminated

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT



### DIRECTORATE:ELECTRICAL AND MECHANICAL ENGINEERING

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Electrical Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)					
ELE8	Nr and % of households with access to basic level of electricity - <b>Urban area</b>	158 779 Households 97,8 %	160 075 Households 98%	161 546 and 99% of households with access to basic level of electricity by June 2015 - Urban Settlement	164 436 Households 99.8%				164 521 Households 99.8%
ELE9	Nr of households without access to basic level of electricity - <b>Urban area</b>	1 210 Households	2 742 Households	1 147 Households without access to basic level of electricity by June 2015 - Urban Settlement	285 Households				200 Households
ELE10	Nr of electricity backlogs eliminated - <b>Urban area</b>	0 Backlogs eliminated	0 Backlogs eliminated	84 Electricity backlogs to be eliminated by June 2015 - Urban Settlement	70 Backlogs eliminated		14 Houses still under construction	Connection of the 14 houses expected to be completed by end of 2nd quarter of 2015/16 financial year	85 Backlogs eliminated
ELE11	Nr and % of households with access to basic level of electricity - <b>Rural area</b>	795 Households 40,98%	815 Households 63%	815 and 30% of households with access to basic level of electricity by June 2015 - Rural Settlement	899 Households 54.38%				899 35.9%

# Chapter 3



## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

### DIRECTORATE:ELECTRICAL AND MECHANICAL ENGINEERING

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Electrical Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)					
ELE12	Nr of households without access to basic level of electricity - Rural area	1 551 Households	477 Households	1 441 Households without access to basic level of electricity by June 2015 - Rural Settlement	539 Households				1 605 Households
ELE13	Nr of electricity backlogs eliminated - Rural area	0 Backlogs eliminated	0 Backlogs eliminated	Report to Eskom - 10 Electricity backlogs to be eliminated by June 2015 - Rural Settlement - Jurisdiction of Eskom	10 Backlogs eliminated				Report to Eskom

### DIRECTORATE:MUNICIPAL AND ENVIRONMENTAL SERVICES





#### Refuse Removal Services

NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)				
CLE1	Nr and % of households with access to basic level of refuse removal - <b>Urban area</b>	159 680 Households 100%	161 454 Households 100%	162 180 and 100% of households with access to basic level of refuse removal by June 2015 - Urban area	163 612 Households 100%			1 605 Households
CLE2	Nr of households without access to basic level of refuse removal - <b>Urban area</b>	0 Households	0 Households	Zero Households without access to basic level of refuse removal by June 2015 - Urban area	0 Households			0 Households

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT






### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
Refuse Removal Services									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services (National Indicator)					
CLE3	Nr of refuse removal backlogs eliminated - Urban area	0 Backlogs eliminated	0 Backlogs eliminated	Zero refuse removal backlogs to be eliminated by June 2015 - Urban area	0 Backlogs to eliminate				0 Backlogs to eliminate
CLE4	Nr and % of households with access to basic level of refuse removal - Rural area	0 Households 0%	0 Households 0%	0 and 0% of households with access to basic level of refuse removal by June 2015 - Rural area (Unproclaim land)	0 Households 0% (Cannot render service on un-proclaimed land)				0 Households 0% (Cannot render service on un-proclaimed land)
CLE5	Number of households without access to basic level of refuse removal - Rural area	2 655 Households	2 655 Households	2 655 Households without access to basic level of refuse removal by June 2015 - Rural area (Unproclaim land)	3 613 Households		Influx of mushrooming squatters	Cannot render service on un-proclaimed land	3 613 Households
CLE6	Nr of refuse removal backlogs eliminated - Rural area	0 Backlogs eliminated	0 Backlogs eliminated	Zero refuse removal backlogs to be eliminated by June 2015 - Rural area (Unproclaim land)	0 Backlogs eliminated ( Cannot eliminate backlogs on un-proclaimed land)				0 Backlogs eliminated

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT


### DIRECTORATE: FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Services allocations to comply with legislation					
REV5	R value spend on free basic services	R90 061 424	R246 603 157	R293 652 670 spend on free basic services by June 2015 - (Account Holders)	R143 527 659		Decrease in indigent applications Indigents who did not verify their information were cancelled	Update records Everybody who applied, are assisted Reregistration of Indigents persons taking place as from 01 July 2015	R 250 000 000
REV6	Number of approved households with free basic services (indigents)	44 569 Approved households	45 448 Approved households	45 000 Approved households with free basic services (indigents) by June 2015	38 393 Approved households				30 000 Approved households
REV7	% Registered households earning less than R2 700 per month	53%	53%	50% Registered households earning less than R2700 per month by June 2015 - (vs total active accounts)	45%		Indigents who did not verify their information were cancelled, therefore the decrease in approved indigents	Reregistration of Indigents persons taking place as from 01 July 2015	50 % Registered households
REV8	R value spend on free basic alternative services	R11 668 939	R12 478 554	R 16 265 647 spend on free basic alternative services by June 2015	R13 273 327		No additional registrations were made in this period	Reregistration of Indigents persons taking place as from 01 July 2015	R11 888 000
REV9	Number of rural settlements with free basic alternative energy (indigents) approved	New indicator	3 219 Approved households	3 500 Approved rural settlements with free basic alternative energy (indigents) by June 2015	3 328		No additional registrations were made in this period	Reregistration of Indigents persons taking place as from 01 July 2015	3 000 Approved rural settlements

# Chapter 3


## KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

### DIRECTORATE: CORPORATE SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Workplace Skills Plan to comply with legislation (National Indicator)					
SKIL5	Annual WSP / ATR submitted to LGSETA	2013/2014 WSP and ATR was submitted on 30 June 2013	WSP & ATR 2014/15 document is submitted to LGSETA on 30 April 2014	Submitting 2015/16 WSP / ATR to LGSETA by April 2015	WSP & ATR 2015/2016 submitted electronically on 30 April 2015		–	–	Submitting 2015/16 WSP / ATR to LGSETA by April 2016

## KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT


### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
LED1	Number of permanent and jobs exceeding 3 months jobs created - Urban Area	1 279 Jobs created	1 596 Jobs created	Creating 1 000 permanent and jobs exceeding 3 months through the municipality's local economic development initiatives including capital projects by June 2015 - Urban Area	1 541 Jobs created		–	–	1 000 Permanent jobs

# Chapter 3



## KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
LED2	Number of permanent and jobs exceeding 3 months jobs created - Rural Area	0 Jobs created	114 Jobs created	Creating 100 permanent and jobs exceeding 3 months through the municipality's local economic development initiatives including capital projects by June 2015 - Rural Area	100 Jobs created		–	–	80 Permanent jobs

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT



### DIRECTORATE: CORPORATE SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To spent a percentage of municipality's budget on implementing its workplace skill plan (National Indicator)					
SKIL1	Rand value of Skills Development Expenditure for 2013/14	R36792	R939 520	R1 754 350 spend on Skills Development (Training) expenditure for 2014/15 by June 2015	R1378181		Implementation of skills programme was stopped to effect appointment of new Training Service Providers	Request SCM Unit to fast track appointment of Training Service Providers	R1 560 000
SKIL2	Levy Skills Development for 2014/15	New indicator	R3 624 904	R3 780 695 spend on Levy Skills Development for 2014/15 by June 2015	R3 734 516		SDL fluctuate due to monthly salary bill of council (no of workdays per month)	N/A	R4 167 670



# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

### DIRECTORATE:FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To spent a percentage of municipality's budget on implementing its workplace skill plan (National Indicator)					
SKIL3	SETA Expenditure for 2013/14	R1 353406	R1 478 611	R1 581 000 spend on SETA Training expenditure for 2014/15 by June 2015	R1 133 181		Slow processing of payments	Invoices submitted late to Finance for payment : R555 743	R1 500 000
SKIL4	SETA Training Income/Rec for2014/15	New indicator	R857 008	R4 581 000 collected for SETA Training Income/Rec for 2014/15 by June 2015	R514 005		LGSETA determines re-imbursements to Municipalities Due to its status of being under administration, its functions are delayed by administration process	To request LGSETA administrator to speed-up the payments	R1 500 000



### DIRECTORATE:FINANCIAL SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP					
BUD2	Capital expenditure as a % of planned capital expenditure	55% R118 810 530	64% R126 296 912	Capital expenditure as a % of planned capital expenditure (R157 105 572 ) by June 2015	68% R94 804 858		Council funded projects were hampered by cash flow constrains	Increase in expenditure, proper project monitoring	R 138 927 000
BUD4	MIG expenditure a % of annual allocation	R49 522 308 40%	R54 762 165 72%	Spending 100 % of MIG annual allocation (R85 331 000) by June 2015 (excluding roll-overs)	R32 714 055 38%		Reduction of MIG allocation by NT on both allocations late receiving MIG towards end of second quarter.	Increase in expenditure, proper project monitoring.	R84 493 000

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT


### DIRECTORATE:FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed (National Key Performance Indicators)					
BUD13	Ratio for Debt coverage for 2014/15	24.21:1	24.21:1	Annual Debt coverage ratio for 2014/15 by September 2015 A=(B-C) / D Where: “A” represents debt coverage “B” represents total operating revenue received “C” represents operating grants “D” represents debt service payments (i.e. interest + redemption) due within the FY	51.29:1		Recognised interest on creditors as permanent service cost	Creditors to be paid within 30 days	22.3%
BUD5	Ratio for Cost coverage for 2014/15	1:1	1:1,3	Annual Cost coverage ratio for 2014/15 by September 2015 A=(B+C)/D Where: “A” represents cost coverage “B” represents all available cash at a particular time “C” represents investments “D” represents monthly fixed operating expenditure	0.35:1		True ratio should exclude unspent grants but in the case of the municipality this would mean that available funds would be zero and the ratio 0	Grants to be spend on time	0.3

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

### DIRECTORATE: FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2014/15 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2015/16 Financial Year
		2012/13	2013/14	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :	Financial Viability expressed (National Key Performance Indicators)						
BUD14	% of Outstanding Service Debtors to Revenue ratio for 2014/15	42. 7%	211%	Annual Outstanding Service Debtors to Revenue ratio for 2014/15 by September 2015 A=B/C Where: “A” represents outstanding service debtors to revenue “B” represents total outstanding service debtors “C” represents annual revenue actually received for services	97%		Lack of capacity to fully implement debt collection Low collection rate for areas supplied by Eskom	A debt collector will assist with capacity challenges in debt collection	7.3%

# Chapter 4

## REPORT OF THE AUDIT COMMITTEE

### REPORT OF THE PERFORMANCE AUDIT COMMITTEE OF MATLOSANA LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2015

#### 1. Introduction

The Audit Committee ("the Committee") is pleased to present its report for the financial year ended 30 June 2015.

#### 2. Committee Composition

The Committee was established in accordance with the prescripts of the MFMA No 56 of 2003, pursuant to a Council resolution taken on the 21ST October 2014. The commencement date of the tenure of the AC was determined as 1st November 2014.

The Committee is comprised of 5 independent members who are not in the employ of the municipality. In addition, no members are political office bearers.

As per Council resolution the 5 members reflected in the table were appointed The Chairperson and the members attended the following meetings:

AUDIT COMMITTEE MEMBERS						
DATE	TYPE OF MEETING	M I MOTALA CHAIRPERSON	N.MAAPE	P C MALEMONE	L.MOSOETSA	N.MOLAPO
21/11/14	Ordinary	Present	Present	Absent	Absent	Present
10/12/14	Special	Present	Present	Absent	Present	Absent
27/01/15	Ordinary	Present	Present	Present	Present	Absent
24/02/15	Special	Present	Present	Present	Present	Absent
30/04/15	Ordinary	Present	Present	Present	Present	Absent
20/05/15	Special	Present	Absent	Absent	Present	Absent
30/06/15	Special	Present	Present	Present	Present	Absent
<b>Total</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>1</b>

#### 3. Roles and Responsibilities

The primary objective of the Audit Committee is to advise the municipal council, political office-bearers and assist the Accounting Officer and management staff of the municipality in the effective discharge of their responsibilities with regard to risk management, internal control and governance, and the ultimate aim of the achievement of the organisation's objectives.

The Audit Committee is an independent advisory body that carries its functions in terms of Section 166 of the Municipal Financial Management Act (MFMA) 56 of 2003 and King III Report on Corporate Governance.

The Committee is also tasked with the review of the Annual Performance Report.

#### 4. Internal Audit

The Internal Audit Activity ("the IAA") under the direction of the Chief Audit Executive continues to provide assurance to the Committee on the internal controls within the Municipality. During the period under review

# Chapter 4

numerous assignments were undertaken, the results of which were presented to the Committee. In the 2013/14 financial year the Committee noted that the implementation on corrective action on internal control weaknesses identified was partially effective. The Committee notes with regret that there has not been any marked improvement in this regard in the year under review.

One of the key challenges faced by the IAA was the omission of management to provide comments on the findings of the IAA. A further challenge related to the implementation of the recommendations of the IAA and the Committee. The cause of this in the opinion of the Committee is the lack of a structured and institutional manner in which these recommendations are processed. In addition there are no consequences for managers not implementing these recommendations.

In the year to follow, the Committee will request a report on the control environment to enable it to continue to monitor progress on implementation and advise on improvements.

## 5. Performance Management

The Committee did not consider the quarterly Performance Reports and merely noted them by virtue of the fact that they had already been tabled in Council and any comment by the Committee at that late stage would have been purely academic.

In its report for the 2013/14 Financial Year the Committee reflected on the following:

- receiving reports after tabling in Council and the absence of these reports having been quality assured by IA prior to submission. The risk is an obvious one namely the adoption of reports which have not been quality assured by either the IA or the Committee. In other words there is no independent verification of the information tabled in Council and hence impacts on the issue of reliability of information contained in the reports to Council.
- the Committee being unable to effectively perform its mandate partly due to non or late submission of information by certain directorates. This resulted in the consolidated reports being submitted long after the end of a particular quarter and in all cases not being subjected to a process of internal audit prior to submission to the Committee and Council.
- failure by management to hold quarterly performance review sessions

The Committee regrets that these findings remain for the period under review. The analysis of the Committee indicates that this state of affairs is primarily due to the inordinate and unexplained delay by Council in filling the vacancies at the level of senior management.

## 6. Review of the Annual Performance Report (APR) and Annual Financial Statements (AFS) for the year ended 30 June 2015

The Audit Committee despite having been furnished with incomplete AFS at the 11th hour managed to review the AFS and the APR.

The Committee considered the AFS and the APR for the year ended 30 June 2015 and reviewed it for material compliance with regulation and the appropriate accounting policies, standards and practices, prior to submission to the Auditor General of South Africa (AGSA) to perform the regulatory audit. Recommendations were made on certain amendments to be effected prior to submission.

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## 7. Risk Management

The committee is pleased that the Risk Management Committee has been established and chaired by a member of the Audit Committee. Both strategic and operational risks have been identified and risk registers compiled. The challenge is the implementation of risk mitigation strategies and the committee is concerned that due to the parlous financial situation of the municipality not much progress will be registered in the foreseeable future. One of the most critical risks facing the Municipality and presents a huge exposure in terms of loss of life and limb relates to occupational health and safety. In addition the financial exposure is dire.

## 8. Irregular Expenditure and Consequence Management

The Committee has on numerous occasions expressed its concern at the failure by Council to address the huge cumulative irregular expenditure which has increased during the reporting period. The cause is both failure to address systemic issues and failure to implement consequence management. In particular the omission by Council to recover from individuals' loss occasioned to the municipality is of serious concern. The Committee is of the view that effective implementation of consequence management is necessary to effect behavioural changes amongst those officials seized with the mandate to procure goods and services on behalf of the Municipality.

## 9. Conclusion

We would like to express a word gratitude to the Administrator, Speaker, MMCs, MPAC. We also wish to thank the Acting Municipal Manager, Managers and other officials and the IA unit for the support and co-operation with the Audit Committee. We would be remiss in our duty if we fail to also express our indebtedness to the team from the Office of the Auditor-General for their guidance and support during the course of the financial year



Ml Motala

Chairperson: Audit Committee  
Matlosana Local Municipality

Dat: 1<sup>st</sup> December 2015

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# Chapter 4

## **CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)**

### **INTRODUCTION**

The municipality consists of seven directorates, namely Electrical and Mechanical Engineering, Municipal and Environmental Services, Macro City Planning and Development, Corporate Services, Financial Services, Civil Services and Human Settlements and Strategic Planning, Monitoring and Control.

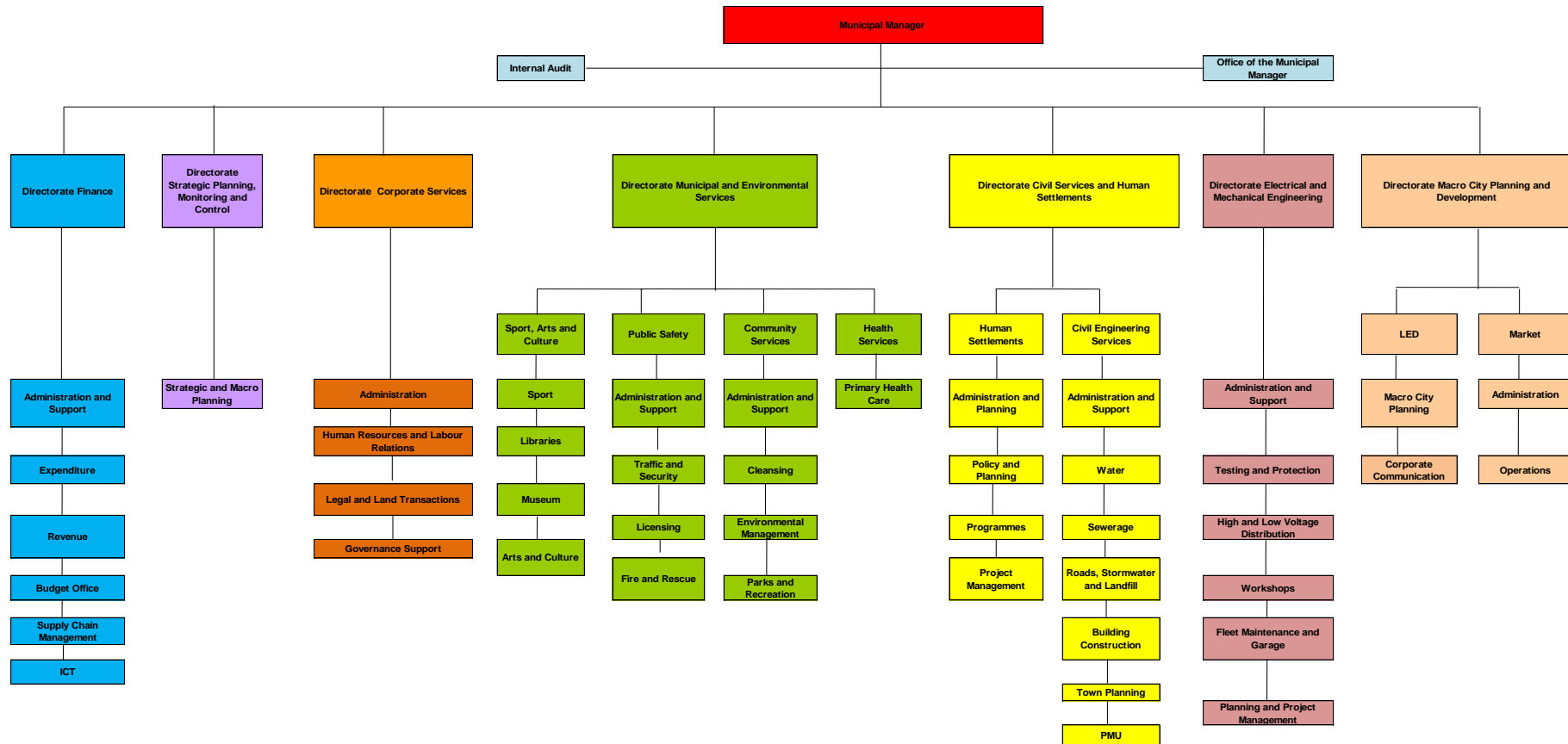
The City of Matlosana has an approved complement of 2 480 posts of which 2 019 were filled.

The municipality's top structure is as follows:

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## CITY OF MATLOSANA

### OVERHEAD STRUCTURE



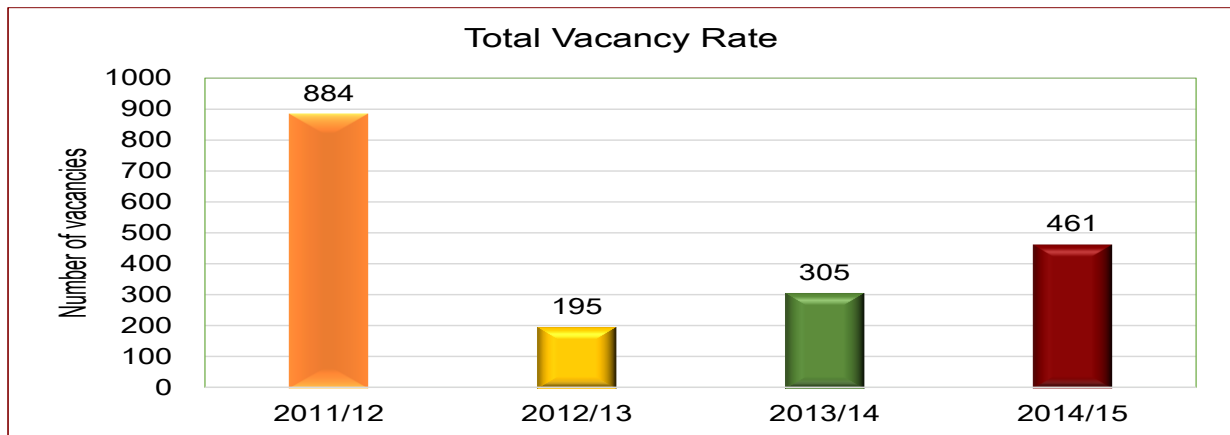
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## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
DESCRIPTION	2013/14	2014/15			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No	No	No	No	%
Water Services	108	125	105	20	16%
Sanitation Services	160	170	155	15	9%
Electrical and Mechanical Engineering	125	152	120	32	21%
Solid Waste Management Services	357	412	327	85	21%
Human Settlements	19	23	18	5	22%
Roads and Storm-Water Drainage	162	183	157	26	14%
Licensing Services	58	103	55	48	47%
Administration Town-Planning, Building Survey, Building Construction and PMU	58	65	55	10	15%
Local Economic Development	17	20	15	5	25%
Fresh Produce Market	42	44	40	4	9%
Libraries and Museum	78	87	79	8	9%
Cemeteries	60	63	54	9	14%
Parks, Open Spaces, Faan Meintjes, Orkney Vaal and Aerodrome	196	219	187	32	17%
Sport and Recreation	96	114	94	20	18%
Health Services	13	16	13	3	19%
Traffic, Security, Fire and Disaster Management	246	273	237	36	13%
Strategic & Regulatory (PMS, IDP, IA, MPAC and Risk Management)	16	10	7	3	30%
Corporate Policy Offices and Other	321	401	301	100	25%
<b>Totals</b>	<b>2 132</b>	<b>2 480</b>	<b>2 019</b>	<b>461</b>	<b>19%</b>

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TURN-OVER RATE				
Year	Total Appointments as of beginning of Financial Year	New Appointments	Terminations during the Financial Year	Turnover Rate
2011/12	2 253	50	87	3.86%
2012/13	2 206	54	106	4.81%
2013/14	2 132	83	124	5.82%
2014/15	2 019	18	135	6.69%

VACANCY RATE: 2014/15			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No	No	%
Municipal Manager	1	0	0%
CFO	1	1	100%
Other s56 Managers (excluding Finance posts)	6	5	83%
Other s56 Managers (Finance posts)	0	0	0%
Safety and Security	175	14	8%
Fire fighters	39	2	5%
Senior management: Levels 1 - 3 (excluding Finance posts)	37	5	14%
Senior management: Levels 1 - 3 (Finance posts)	7	2	29%
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	114	22	19%
Highly skilled supervision: levels 4 - 6 (Finance posts)	22	7	32%
<b>Total</b>	<b>402</b>	<b>58</b>	<b>14%</b>

# Chapter 4

## COMMENTS ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 461 vacancies or a 19 % vacancy rate which is 6% higher than the 2013/14 vacancy rate.

The turnover rate which totalled 6.69% is steadily increasing if compared over the last 4 financial years.

Only a total of 18 positions were filled during the 2014/2015 financial year while 135 terminations were recorded.

A high turnover rate can be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. The filling of vacancies remains a challenge due to the financial situation of the municipality.

The status of the section 54A and 56 managers is as follows:

DESIGNATION	STATUS
Municipal Manager	Filled
Director Finance (Chief Financial Officer)	In process
Director Corporate Services	In process
Director Municipal and Environmental Services	In process
Director Civil Services and Human Settlements	In process
Director Macro City Planning and Development	Filled
Director Electrical and Mechanical Engineering	In process
Director Strategic Planning, Monitoring and Control	Filled

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce Management is all the activities needed to maintain a productive workforce, including payments and benefits, human resources planning, training and development, time-keeping and attendance, recruitment, performance management and forecasting and scheduling. In essence it is about assigning the right employees with the right skills to the right job at the right time to meet demand while optimising the scheduling of staff.

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

In order to ensure that the City of Matlosana move towards best management practices the Human Resource Section embarked on the development of Human Resource policies since 2012.

The workforce at the end of the 2014/15 financial year totalled 2 019 active employees.

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The table below shows the Human Resource policies and plans that have been developed and approved by Council during 2014/15.

## 4.2 POLICIES

HR POLICIES AND PLANS				
Name of Policy		Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	100%	25 September 2013
2	Attraction and Retention	100%	100%	04 September 2012
3	Code of Conduct for employees	100%	100%	25 September 2013
4	Delegations, Authorisation & Responsibility	100%	100%	5 February 2009
5	Disciplinary Code and Procedures	100%	100%	04 September 2012
6	Essential Services			
7	Employee Assistance / Wellness	100%	100%	25 September 2013
8	Employment Equity	100%	100%	25 September 2013
9	Exit Management			
10	Grievance Procedures	100%	100%	29 November 2012
11	HIV/Aids	100%	100%	04 September 2012
12	Human Resource and Development	100%	100%	04 September 2012
13	Information Technology	100%	100%	29 November 2012
14	Job Evaluation			
15	Leave	100%	100%	29 November 2012
16	Occupational Health and Safety	100%	100%	04 September 2012
17	Official Housing			
18	Official Journeys	100%	100%	29 November 2012
19	Official transport to attend Funerals	100%	100%	04 September 2012
20	Official Working Hours and Overtime			
21	Organisational Rights	100%	100%	25 September 2013
22	Payroll Deductions			
23	Performance Management	100%	100%	28 July 2015
24	Recruitment, Selection and Appointments	100%	100%	25 September 2013
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	100%	100%	04 September 2012
28	Skills Development	100%	100%	25 September 2013
29	Smoking	100%	100%	04 September 2012
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100%	100%	04 September 2012
33	<b>Other:</b> Telephone	100%	100%	04 September 2012
34	Retirement Planning	100%	100%	04 September 2012

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35	Records Management	100%	100%	04 September 2012
36	Legal Services	100%	100%	29 November 2012
37	National Fresh Produce Market	100%	100%	29 November 2012
38	Billboards	100%	100%	29 November 2012
39	Internet	100%	100%	29 November 2012
40	Servers Security	100%	100%	29 November 2012
41	Workstation Security	100%	100%	29 November 2012
42	Email use	100%	100%	29 November 2012
43	Study and Bursary	100%	100%	25 September 2013
44	Web Content Management	100%	100%	25 September 2013
45	Project Management Framework Policy	100%	100%	25 September 2013
46	Corporate Identity	100%	100%	25 September 2013
47	Risk Management	100%	100%	25 September 2013
48	Risk Management Strategy	100%	100%	25 September 2013
49	Fraud & Corruption Prevention Strategy	100%	100%	25 September 2013
50	Investigation Policy	100%	100%	25 September 2013
51	Use of Council Vehicle Policy	100%	100%	
52	Media Policy	100%	100%	
53	Administration of Immovable Property	100%	100%	25 November 2014

## COMMENT ON WORKFORCE POLICY DEVELOPMENT

The drive to develop human resource policies was intensified in the 2014/15 financial year. During this period the municipality adopted more than 70% of the policies.

The following remaining policies will be finalised in the 2015/16 financial year:

- Essential Services.
- Exit management.
- Human Resource and Development (The municipality has adopted an HR strategy).
- Job Evaluation.
- Official housing.
- Payroll deductions.
- Resettlement.
- Special skills.
- Work organisation and workstation security.

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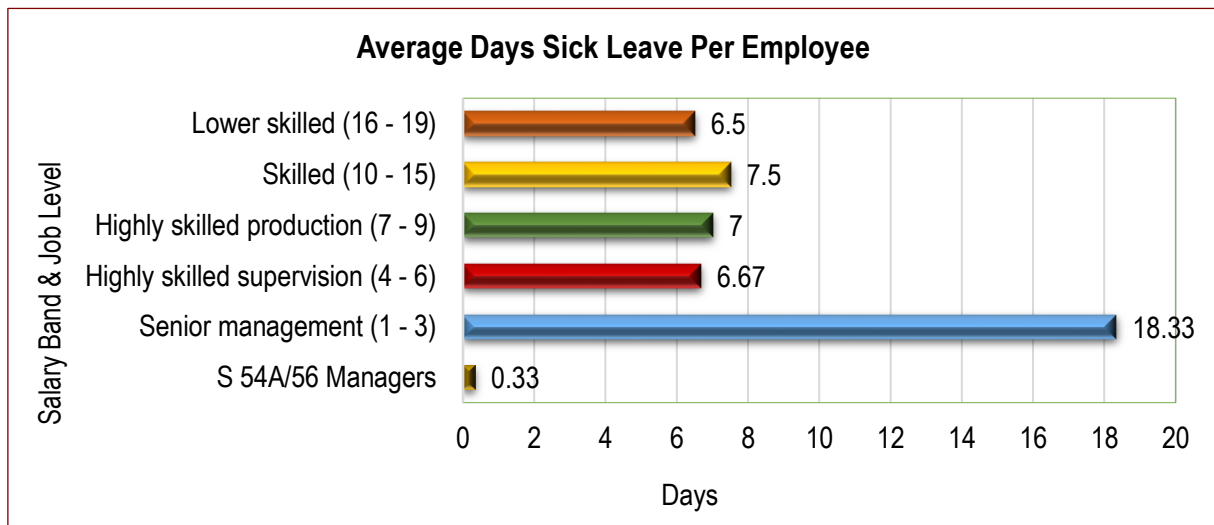
## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF INJURIES ON DUTY DURING 2014/15				
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average Injury leave per employee
	Days	No	%	Days
Required basic medical attention only	0	11	0.5	0
Temporary total disablement	190	45	2.23	9
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
<b>Total</b>	<b>190</b>	<b>56</b>	<b>2.77</b>	<b>9</b>

NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2014/15								
Job Level	Salary Band	Total Number Of Sick Leave Days Per Post Level	Portion Of Sick Leave Without Medical Certification	Number Of No Sick Notes Received	Number of Employees Using Sick Leave	Total Employees In Post	Average Days Sick Leave Per Employee	Estimated Cost
		DAYS	%	DAYS	NO	NO	DAYS	R' 000
S 54/56 Managers		1	0	0	1	3	0,33	3
1	Senior management	40	0	0	1	1	40	72
2		84	3,57	3	8	9	9	132
3		149	5,37	8	18	27	6	213
4	Highly skilled supervision	83	2,41	2	8	13	6	105
5		261	12,26	32	23	40	7	295
6		391	18,41	72	40	55	7	404
7	Highly skilled production	259	17,37	45	28	46	6	243
8		467	7,92	37	41	64	7	392
9		882	10,54	93	81	105	8	418
10	Skilled	917	10,25	94	85	98	9	563
11		1 298	16,10	209	108	125	10	714
12		445	10,79	48	45	116	4	222

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13		758	7,65	58	55	84	9	345
14		426	14,32	61	43	59	7	179
15		777	15,44	120	70	122	6	304
16		255	9,02	23	28	75	3	96
17	Lower skilled	662	11,78	78	68	129	5	247
18		254	15,35	39	24	23	11	95
19		5 495	11,41	627	483	825	7	2 055
TOTAL		13 904	11,86	1 649	1 258	2 019	7	7 097



## COMMENTS ON INJURY AND SICK LEAVE

In an effort to reduce injuries, the Occupational Health and Safety unit has conducted safety awareness training for officials at high risk departments like Civil Engineering and Electrical Engineering during the 2013/14 year under review. The unit also conducted the election of Safety Representatives to assist in identifying and reporting on health and safety matters.

To ensure that the departments act on the advice and recommendations of the occupational health and safety officers, the unit submit monthly reports to LLF and Council. The submission of reports ensures transparency and alert council to exercise oversight on those departments that neglect the occupational health and safety recommendations. With regards to reducing sick leave, the Personnel Administration unit has conducted road shows to workshop officials on the collective agreement on conditions of service regarding different kinds of leave including sick leave and how the misuse of the sick leave can end up resulting in half pay and even non-payment of salaries.

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## NUMBER AND PERIOD OF SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Municipal Manager	Failure to declare interest Unauthorised / irregular expenditure. Non-compliance & Supply Chain prescripts	25 February 2015	Case pending	Pending
Assistant Director Water Services	Wasteful expenditure	17 April 2015	Case pending, scheduled to take place on 26 August 2015	Pending
Assistant Director Debt Collection	Dishonesty & lack of integrity	17 April 2015	Charges not served yet	Pending
Sub Accountant	Misrepresentation and wasteful expenditure	08 May 2015	Case was scheduled to be heard on 05 August 2015, but was postponed to 24 & 25 August 2015	Pending

## DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Municipal Manager	Failure to declare interest. Unauthorised / irregular expenditure. Non-compliance & supply chain prescripts	Charged	Pending
Assistant Director Water Services	Wasteful expenditure (Procurement & Deviations)	Charged	Pending
Assistant Director Debt Collection	Dishonesty & lack of Integrity	Charges not served yet	Pending
Sub Accountant	Misrepresentation and wasteful expenditure	Charged	Pending

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## 4.4 PERFORMANCE REWARDS

### PERFORMANCE REWARDS BY GENDER

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after –

- (1) *the annual report for the financial year under review has been tabled and adopted by the municipal council;*
- (2) *an evaluation of performance in accordance with the provisions of regulation 23; and*
- (3) *approval of such evaluation by the municipal council as a reward for outstanding performance.*

The evaluation of the performance of section 54A and 56 managers forms the basis for rewarding outstanding performance.

No performance bonus was awarded to section 54A and 56 managers due to no quarterly assessments being performed.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

For the City of Matlosana to comply with Local Government: Municipal Systems Act 2000, as amended, section 68 (1) and Skills Development Act 98 of 1998, the Training and Development Unit developed a Training Plan which includes both Learner ships and Skills Programmes, guided by Workplace Skills Plan submitted to LGSETA. The Training Plan will guide the Training and Development Unit as to which programmes to be implemented for capacitation and empowerment of all employees.

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## 4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management level	Gender	Employees in post as at 30 June 2015	Number of skilled employees required and actual as at 30 June 2015											
			Learner ships			Skills programmes & other short courses			Other forms of training (Internship)			Total		
		No	Actual: End of 2013/14	Actual: End of 2014/15	2015/16 Target	Actual: End of 2013/14	Actual: End of 2014/15	2015/16 Target	Actual: End of 2013/14	Actual: End of 2014/15	2015/16 Target	Actual: End of 2013/14	Actual: End of 2014/15	2015/16 Target
MM and s 56	Female	1	0	0	1	0	1	1	0	0	1	0	1	3
	Male	3	0	0	1	0	3	3	0	0	1	0	3	5
Councillors, senior officials and managers	Female	40	0	0	10	0	40	20	0	0	0	0	40	30
	Male	60	0	0	20	0	60	40	0	0	0	0	60	60
Technicians and associate professionals	Female	12	0	3	6	0	12	10	0	0	0	0	15	16
	Male	127	0	17	40	0	127	60	0	0	0	0	144	100
Professionals	Female	57	0	0	20	0	57	30	0	4	6	0	61	56
	Male	81	0	0	10	0	81	35	0	2	5	0	83	50
Unskilled	Female	0	0	17	20	0	57	30	0	0	0	0	74	50
	Male	0	0	18	10	0	81	35	0	0	0	0	99	45
Sub total	Female	110	0	20	56	0	166	90	0	4	6	0	190	152
	Male	271	0	35	80	0	349	170	0	2	5	0	386	255
TOTAL		762	0	55	136	0	515	260	0	6	11	0	576	407

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## FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2014/15

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	2	2	2
<i>Any other financial officials</i>	163	0	163	20	0	20
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	1	0	1	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
<b>TOTAL</b>	<b>167</b>	<b>0</b>	<b>167</b>	<b>23</b>	<b>3</b>	<b>23</b>

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SKILLS DEVELOPMENT EXPENDITURE										
R'000										
Management level	Gender	Employees as at 1 July 2014	Original Budget and Actual Expenditure on skills development 2013/14							
			Learner ships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and s56	Female	1	400	0	60	55	0	0	460	55
	Male	5	400	0	120	115	0	0	520	115
Legislators, senior officials and managers	Female	40	450	0	180	175	250	175	880	350
	Male	60	450	0	150	145	150	145	750	290
Professionals	Female	57	450	0	100	95	300	135	850	230
	Male	81	630	0	150	145	100	80	880	225
Technicians and associate professionals	Female	12	220	0	150	145	0	0	370	145
	Male	127	700	0	350	340	0	0	1 050	340
Clerks	Female	187	600	0	80	75	120	80	800	155
	Male	38	300	0	140	135	170	130	610	265
Service and sales workers	Female	85	350	0	50	40	0	0	400	40
	Male	220	300	0	30	20	0	0	330	20
Plant and machine operators and assemblers	Female	1	350	0	50	45	0	0	400	45
	Male	193	750	0	350	340	0	0	1 100	340
Elementary occupations	Female	470	800	0	250	230	0	0	1 050	230
	Male	653	950	0	350	335	0	0	1 300	335
Subtotal	Female	853	3 620	0	920	860	670	3 960	5 210	1 400
	Male	1 377	4 480	0	1 640	1 375	420	6 530	6 540	1 910
<b>TOTAL</b>		<b>2 230</b>	<b>8 100</b>	<b>0</b>	<b>2 560</b>	<b>2 235</b>	<b>1 090</b>	<b>1 049</b>	<b>11 750</b>	<b>3 310</b>

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## COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that as head of administration the Municipal Manager is responsible for the management, utilisation and training of staff.

The Workplace Skills Plan (WSP) which addressed the training needs for the 2014/15 financial year was submitted on the 30 April 2015 to LGSETA.

The unit has planned for the increase on funding based on the number of skills gaps identified and to ensure that the workforce meet the minimum competency levels as required by MFMA Competency Regulations.

R1 378 181 was spend on Skills Development Training for 2014/15 financial year. 4 Life skills training sessions were conducted for council employees and 2 training sessions were conducted for employees on the collective agreement on disciplinary procedures.

In order to ensure that the municipality achieve return on investment with regards to training interventions implemented, the unit implement a monitoring and evaluation tool to assess the impact of training on all those who have received it during the 2014/15 financial year.

### COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

#### INTRODUCTION TO WORKFORCE EXPENDITURE

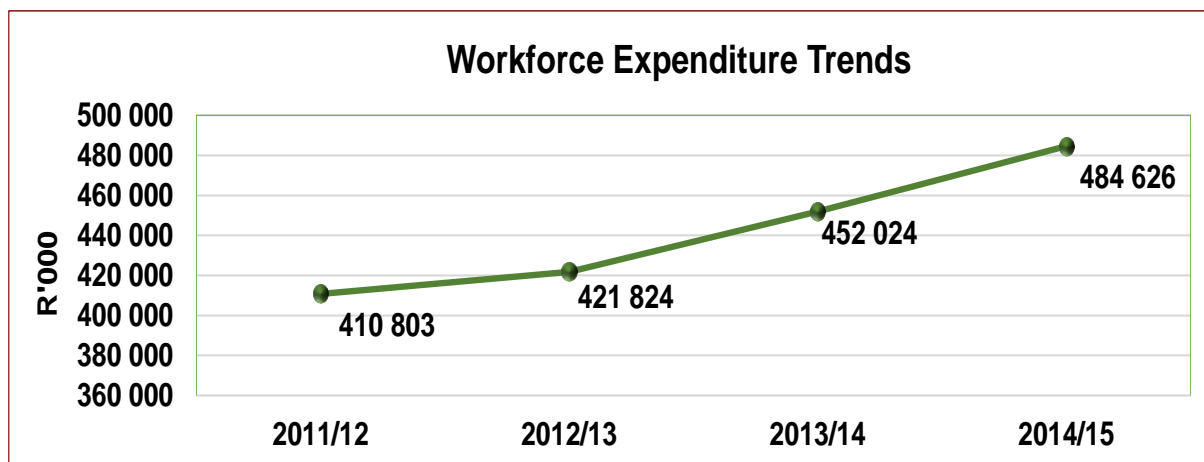
Workforce expenditure is a major part of the operational expenditure of the City of Matlosana. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service delivery to the community as well as obtain its objectives.

There is a strong national drive for creating employment and municipalities are one arm of government that normally feels the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the City of Matlosana must be recognised. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism). Performance management is of the utmost importance to increase the efficiency and thus output out of the workforce. There is still a way to go so as to implement the necessary measures and controls with the necessary buy-in of employees.

# Chapter 4

## 4.6 EMPLOYEE EXPENDITURE



### COMMENT ON WORKFORCE EXPENDITURE

Personnel expenditure has decreased from 24.65%, to 21.40%, with the figure for the 2014/15 financial year at 21.40%. This is well within the National Treasury guideline of 30%.

#### UPGRADED POSTS

Number of employees whose salaries were increased due to their positions being upgraded	None
Employees whose salary levels exceed the grade determined by job evaluation	None
Employees appointed to posts not approved	None

### DISCLOSURES OF FINANCIAL INTERESTS

In terms of the requirements of PMS Regulations, 805 of 2006 disclosures are made by officials and councillors concerning their financial interests. See **Appendix J**.

## COMPONENT E: OVERSIGHT REPORTING

## 4.7 STAFF ESTABLISHMENT

#### STAFF ESTABLISHMENT

Does the City of Matlosana have an approved staff establishment?	Yes, it was approved in terms of CC 96/2011 dated 3 November 2011
Does the staff establishment provide for permanent and fixed posts?	Yes All senior manager positions are for a fixed term
If yes, provide details of the approved senior manager posts (permanent and fixed posts).	Municipal Manager Director Strategic Planning, Monitoring and Control Director Corporate Services

# Chapter 4

	Director Finance Director Civil Services and Human Settlements Director Electrical and Mechanical Engineering Director Municipal and Environmental Services Director Macro City Planning and Development
Was the staff establishment consulted with the MEC before approval by Council?	No
If no, provide reasons	The Municipal Systems Amendment Act, 7 of 2011, stipulates that the posts provided for on the organogram must be approved by the Municipal Council
Were the recommendations of the MEC incorporated into the approved structure?	N/A
If no, provide reasons	N/A

# Chapter 4

## 4.8 APPOINTMENT OF SENIOR MANAGERS

APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER							
Post Title	Annual Salary	Term of Employment		Highest Qualifications	Was the senior manager subjected to competence assessment?	Does the senior manager hold political office?	Does the senior manager have a misconduct / criminal record?
		From	To				
Municipal Manager	1 332 312	22/02/2012	21/02/2017	Masters in Development and Governance	No	No	No
Director Strategic Planning, Monitoring and Control	1 067 946	17/04/2012	16/04/2017	BA Honours in Management and Development	No	No	No
Director Corporate Services	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Finance	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Civil Services and Human Settlements	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Electrical and Mechanical Engineering	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Municipal and Environmental Services	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Macro City Planning and Development	1 067 946	17/04/2012	16/04/2017	Masters in Development and Management	No	No	No

# Chapter 4

## 4.9 EMPLOYMENT CONTRACTS

EMPLOYMENT CONTRACTS FOR MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER		
Post Title	Has the senior manager signed the employment contract with the municipality before commencement of duty?	Has the contract been submitted to the MEC within the prescribed timeframe?
Municipal Manager	Yes, 22 February 2012	Yes, 5 March 2012
Director Strategic Planning, Monitoring and Control	Yes, 16 April 2012	Yes, 30 April 2012
Director Corporate Services	Vacant	Vacant
Director Finance	Vacant	Vacant
Director Civil Services and Human Settlements	Vacant	Vacant
Director Electrical and Mechanical Engineering	Vacant	Vacant
Director Municipal and Environmental Services	Vacant	Vacant
Director Macro City Planning and Development	Yes, 16 April 2012	Yes, 30 April 2012

# Chapter 4

## 4.10 PERFORMANCE AGREEMENTS

STAFF ESTABLISHMENT (SECTION 54A AND 56 EMPLOYEES)					
Post Title	Has the senior manager concluded a performance agreement with the municipality within the stipulated timeframe?	Has the performance agreement been submitted to the MEC within the prescribed timeframe?	Is the performance agreement aligned to the SDBIP of the municipality?	Is the SDBIP aligned to the IDP of the municipality?	Did the senior manager receive a performance bonus for the previous year?
Municipal Manager	Yes, 27 June 2014	Yes, 09 July 2014	Yes	Yes	No
Director Strategic Planning, Monitoring and Control	Yes, 27 June 2014	Yes, 09 July 2014	Yes	Yes	No
Director Corporate Services	Vacant	Vacant	Vacant	Vacant	Vacant
Director Finance	Vacant	Vacant	Vacant	Vacant	Vacant
Director Civil Services and Human Settlements	Vacant	Vacant	Vacant	Vacant	Vacant
Director Electrical and Mechanical Engineering	Vacant	Vacant	Vacant	Vacant	Vacant
Director Municipal and Environmental Services	Vacant	Vacant	Vacant	Vacant	Vacant
Director Macro City Planning and Development	Yes, 27 June 2014	Yes, 09 July 2014	Yes	Yes	No

# Chapter 4

## 4.11 MINIMUM COMPETENCY REQUIREMENTS

### MUNICIPAL MANAGER AND DIRECTORS (SECTION 54A AND 56 MANAGERS)

DESCRIPTION	REQUIREMENTS	MUNICIPAL MANAGER: ET MOTSEMME	STRATEGIC PLANNING: LM RAMOROLA	MACRO CITY PLANNING: SG MABUDA
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	Masters in Development and Governance	BA Honours in Management and Development	Masters in Development and Management
Work-Related Experience	Minimum of 2 years at senior and 5 years at middle management level	13 Years and 8 months	6 Years in senior and 4 years in middle management	6 Years in senior and 6 years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes	Yes	Yes
Financial and Supply Chain Management Competency Areas:	Required Minimum Competency Level in Unit Standards = CPMF	Yes	Yes	Yes
<ul style="list-style-type: none"> <li>➤ Strategic leadership and management</li> <li>➤ Operational financial management</li> <li>➤ Governance, ethics and values in financial management</li> <li>➤ Financial and performance reporting</li> <li>➤ Risk and change management</li> <li>➤ Legislation, policy and implementation</li> <li>➤ Stakeholder relations</li> <li>➤ Supply Chain Management</li> <li>➤ Project management</li> <li>➤ Audit and assurance</li> </ul>				

## Chapter 5



# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance.
- Component B: Spending Against Capital Budget.
- Component C: Other Financial.

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENT

The City of Matlosana posted a net loss of R339 m (2013 loss: R401 m) for the financial year. This was mainly due to the impairment of the debtors and depreciation on assets that exceeded the budget.

Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL SUMMARY						
Description	2013/14	2014/15		2014/15 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
<b>Financial Performance</b>						
Property rates	190 357	230 478	217 644	247 297	107.30	113.62
Service charges	988 908	1 248 024	1 346 990	1 061 159	85.03	78.78
Investment revenue	57 068	5 348	2 500	91 202	1 705.36	3 648.10
Transfers recognised - operational	355 571	347 183	348 750	434 482	125.14	124.58
Other own revenue	108 804	184 072	202 637	70 407	38.25	34.75
<b>Total Revenue (excl. capital transfers and contributions)</b>	<b>1 700 708</b>	<b>2 015 105</b>	<b>2 118 521</b>	<b>1 904 548</b>	<b>94.51</b>	<b>89.90</b>
Employee costs	456 008	468 822	461 871	478 441	102.05	103.59
Remuneration of councillors	20 850	21 314	20 401	20 458	95.99	100.28
Depreciation & asset impairment	436 672	439 207	458 490	439 622	100.09	95.88
Finance charges	34 224	12 534	12 927	43 779	349.28	338.66
Materials and bulk purchases	646 684	704 519	743 260	657 629	93.34	88.48
Transfers and grants		4 847	4 847		-	-
Other expenditure	568 820	468 642	880 288	603 606	128.80	68.57
<b>Total Expenditure</b>	<b>2 163 259</b>	<b>2 119 885</b>	<b>2 582 084</b>	<b>2 243 535</b>	<b>105.83</b>	<b>86.89</b>
<b>Surplus/(Deficit)</b>	<b>(462 551)</b>	<b>(104 780)</b>	<b>(463 563)</b>	<b>(338 987)</b>	<b>323.52</b>	<b>73.13</b>

# Chapter 5

FINANCIAL SUMMARY (Continue)						
Description	2013/14	2014/15		2014/15 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	123 081	114 856	115 596	–	-	-
Contributions recognised - capital & contributed assets	–	–	–	–	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(339 470)</b>	<b>10 076</b>	<b>(347 967)</b>	<b>(338 987)</b>	<b>-3 364.30</b>	<b>97.42</b>
Share of surplus/ (deficit) of associate					-	-
<b>Surplus/(Deficit) for the year</b>	<b>(339 470)</b>	<b>10 076</b>	<b>(347 967)</b>	<b>(338 987)</b>	<b>-3 364.30</b>	<b>97.42</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	–	–	–	–	%	%
Transfers recognised - capital	123 081	114 856	157 106	92 823	80.82	59.08
Public contributions & donations	–	–	–	5 000		
Borrowing	–	–	–			
Internally generated funds	9 676	–	41 510	3 306		7.96
<b>Total sources of capital funds</b>	<b>132 757</b>	<b>114 856</b>	<b>198 616</b>	<b>101 128</b>	<b>88.05</b>	<b>50.92</b>
<b>Financial position</b>						
Total current assets	252 851	353 360	320 024	274 810	77.77	85.87
Total non-current assets	621 659	6 011 545	5 888 425	6 063 854	100.87	102.98
Total current liabilities	597 354	365 468	374 000	619 691	169.56	165.69
Total non-current liabilities	353 595	335 000	348 000	383 322	114.42	110.15
Community wealth / Equity	5 518 501	5 654 185	5 486 449	5 335 652	94.37	97.25
<b>Cash flows</b>						
Net cash from (used) operating	167 556	310 601	346 977	124 585	40.11	35.91
Net cash from (used) investing	(136 165)	(114 434)	(307 328)	(92 804)	81.10	30.20
Net cash from (used) financing	(40 030)	(15 000)	(27 945)	(48 537)	323.58	173.69
<b>Cash/cash equivalents at the year end</b>	<b>49 658</b>	<b>251 167</b>	<b>70 000</b>	<b>32 901</b>	<b>13.10</b>	<b>47.00</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	49 658	137 500	137 500	32 901	23.93	23.93
Application of cash and investments	–	177 790	–		-	
<b>Balance - surplus (shortfall)</b>	<b>49 658</b>	<b>(40 290)</b>	<b>(181 048)</b>	<b>32 901</b>	<b>-81.66</b>	<b>-18.17</b>
<b>Asset management</b>						
Asset register summary (WDV)	6 143 395	5 933 057	5 933 057	5 983 422	100.85	100.85
Depreciation & asset impairment	436 672	439 207	458 490	439 622	100.09	95.88
Renewal of Existing Assets	–	–	–	–		
Repairs and Maintenance	39 498	98 919	90 000	56 473	57.09	62.75

# Chapter 5

FINANCIAL SUMMARY (Continue)						
R' 000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
<b>Free services</b>						
Cost of Free Basic Services provided	147 591	255 644	255 644	255 644	0.10	0.10
Revenue cost of free services provided	238 874	370 222	370 222	370 222	0.10	0.10
<b>Households below minimum service level</b>						
Water	1 845	3 485	3 485	3 485	100.00	100.00
Sanitation/sewerage	4 165	150	150	150	100.00	100.00
Energy	156 530	101 625	101 625	101 625	100.00	100.00
Refuse	-	2	2	2	100.00	100.00

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
R '000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
<b>Operating Cost</b>						
Water	422 586	362 385	383 024	398 895	9.15%	3.98%
Waste Water (Sanitation)	104 306	101 985	139 742	116 485	12.45%	-19.97%
Electricity	551 101	581 397	786 106	634 998	8.44%	-23.80%
Waste Management	118 441	63 157	123 872	92 368	31.62%	-34.11%
Housing	8 005	9 616	9 664	9 063	-6.10%	-6.63%
Component A: subtotal	1 204 439	1 118 540	1 442 408	1 251 809	10.65%	-15.23%
Storm-water Drainage						
Roads	129 884	208 881	203 505	173 768	-20.21%	-17.11%
Transport						
Component B: subtotal	129 884	208 881	203 505	173 768	-20.21%	-17.11%
Planning	-					
Local Economic Development	15 985	8 533	6 441	5 684	-50.12%	-13.32%
Component B: subtotal	15 985	8 533	6 441	5 684	-50.12%	-13.32%
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: subtotal	-	-	-	-	-	-
Community & Social Services	50 758	54 500	86 266	52 262	-4.28%	-65.06%
Environmental Protection	-	-	-	-	-	-
Health	4 412	6 134	4 423	4 351	-40.98%	-1.65%
Security and Safety	133 990	169 151	171 986	214 063	20.98%	19.66%
Sport and Recreation	38 611	95 957	63 752	81 703	-17.45%	21.97%
Corporate Policy Offices & Other	585 178	458 190	603 303	459 895	0.37%	-31.18%
Component D: subtotal	812 949	783 932	929 730	812 274	3.49%	-14.46%
<b>TOTAL EXPENDITURE</b>	<b>2 163 257</b>	<b>2 119 886</b>	<b>2 582 084</b>	<b>2 243 535</b>	<b>5.51%</b>	<b>-15.09%</b>

# Chapter 5

## COMMENTS ON FINANCIAL PERFORMANCE

Find below comment on variances above 10%.

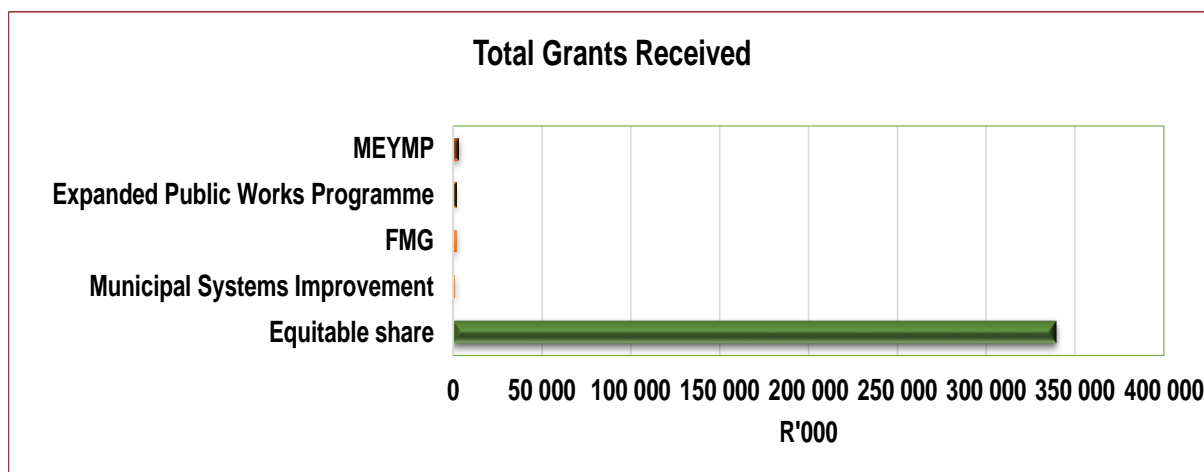
- Waste Water – The variance on water is higher than 12.45% as a result of a lower consumption of water in the second half of the reporting period and as a result of water losses by means of theft and distribution.
- Waste Management – Waste management at 31.62% is slightly higher than 10% variance as a result the non-collection of refuse due to strike action.

This highlights to main services with variances higher than 10% with the overall variance within 10% at 9.33%

## 5.2 GRANTS

GRANT PERFORMANCE						R' 000
Description	2013/14	2014/15		2014/15 Variance		
	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)
<b>Operating Transfers and Grants</b>						
<b>National Government</b>	<b>340 547</b>	<b>346 783</b>	<b>348 350</b>	<b>342 366</b>	-1.29%	-1.75%
Equitable share	337 085	339 136	339 136	339 136	0.00%	0.00%
Municipal Systems Improvement	660	934	934	799	-16.90%	-16.90%
FMG	1 802	1 600	1 600	1 601	0.06%	0.06%
PMU Grant		3 200	4 767	–		
Expanded Public Works Programme	1 000	1 913	1 913	830	-130.48%	-130.48%
<b>Provincial Government</b>	<b>380</b>	<b>400</b>	<b>500</b>	<b>226</b>		
Sports and Recreation	380	400	500	226	-77.36%	-121.70%
<b>District Municipality:</b>	<b>2 800</b>	<b>–</b>	<b>2 900</b>	<b>93</b>		
MEYMP	2 800	–	2 900	–		
Museum Grant				93	100.00%	100.00%
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>91 798</b>		
MIG				76 770	100.00%	100.00%
NDPG				15 028	100.00%	100.00%
<b>Total Operating Transfers and Grants</b>	<b>343 727</b>	<b>347 183</b>	<b>351 750</b>	<b>434 482</b>		

# Chapter 5



GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DoRA)						
Details of Donor	Actual Grant 2013/14	Actual Grant 2014/15	2014/15 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatal</b>						
District Grant	12 223	-	-	-	-	Infrastructure Backlogs

## COMMENTS ON OPERATING TRANSFERS AND GRANTS

The budget figures for grants were reported as per DORA and the actual as per payment schedules received from National Treasury and national departments.

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

During the 2014/15 financial year Council appointed Ducharme Consulting Pty Ltd to assist with the unbundling of council's assets according to GRAP 17. As a result, Council obtained a clean audit opinion for the 2014/15 financial year.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2014/15	
Asset 1	
Name	Supplying water from Midvaal end point in Orkney and the installing bulk line services to Kanana reservoir
Description	Supplying water from Midvaal end point in Orkney and installing bulk line services (5.5km) to Kanana reservoir
Asset Type	Infrastructure asset
Key Staff Involved	Contractors
Staff Responsibilities	Water section

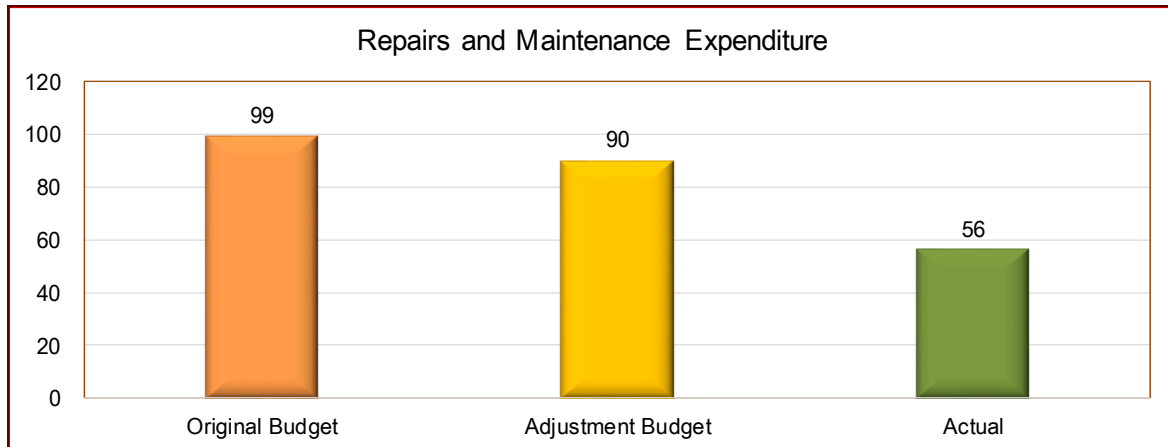
# Chapter 5

Asset Value	2012/13	2013/14	2014/15
	480 147	7 002 960	1 730 957
Capital Implications	Supplying water from Midvaal end point in Orkney and the installing bulk line services to Kanana reservoir		
Future Purpose of Asset	Upgrade the water mains in Kanana to improve the supply capacity		
Describe Key Issues	Maintenance		
Policies in Place to Manage Asset	Yes		
Asset 2			
Name	Upgrading 5 km outfall sewer line in Jouberton Ext 7,19 & 24 (West)		
Description	Km outfall sewer line in Jouberton Ext 7,19 & 24 (West) upgraded		
Asset Type	Infrastructure asset		
Key Staff Involved	Contractors		
Staff Responsibilities	Sanitation section		
Asset Value	2012/13	2013/14	2014/15
	-	R6 467 365	R7 737 038
Capital Implications	Upgrading 5 km outfall sewer line in Jouberton Ext 7,19 & 24 (West)		
Future Purpose of Asset	Upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure		
Describe Key Issues	Maintenance		
Policies in Place to Manage Asset	Yes		
Asset 3			
Name	Upgrading of Kanana Water Mains		
Description	Upgrade Kanana Water Mains		
Asset Type	Infrastructure asset		
Key Staff Involved	Contractors		
Staff Responsibilities	Water section		
Asset Value	2012/13	2013/14	2014/15
		R8 733 475	R13 526 187
Capital Implications	Upgrading of Kanana Water Mains		
Future Purpose of Asset	Upgrading of Kanana Water Mains		
Describe Key Issues	Maintenance		
Policies in Place to Manage Asset	Yes		

## COMMENTS ON ASSET MANAGEMENT

The above projects were driven by the PMU Unit. The grants are received from government to improve infrastructure assets in various areas for better living conditions. These assets are grant-funded and the budget was approved for these capital projects. For audit purposes, these assets were signed off with a certificate of completion that was obtained from the various contractors before these projects could be signed off for completeness.

# Chapter 5

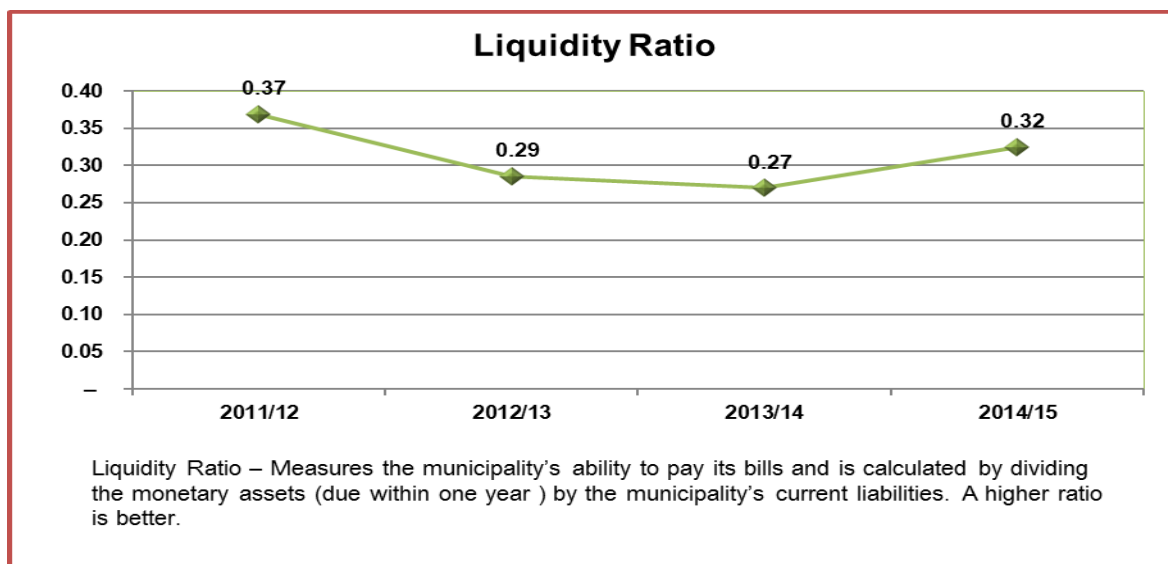


REPAIR AND MAINTENANCE EXPENDITURE: 2014/15				
R' 000				
Description	Original	Adjusted	Actual	Budget variance
Repairs and Maintenance Expenditure	99	90	56	43%

## COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

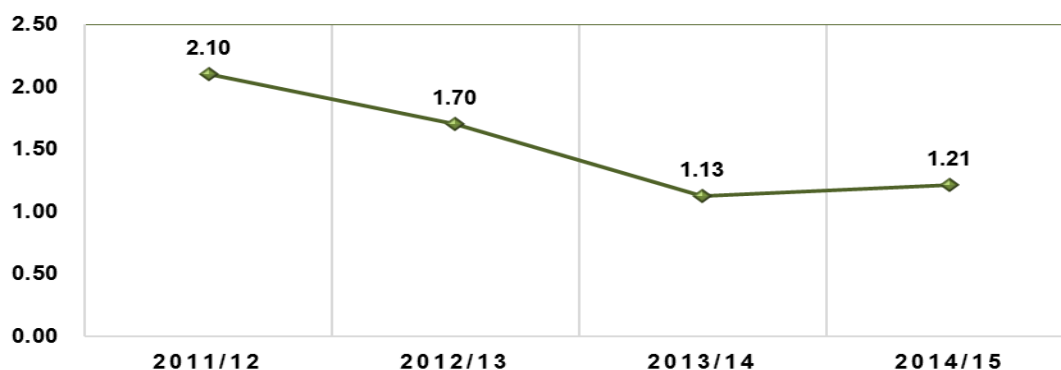
The expenditure on repair and maintenance were very low at 3% of the budget. The budget on expenditure is also low at 3% due to the financial challenges that is experienced by Council. Unfortunately this has a negative impact on the maintenance of the ageing infrastructure.

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



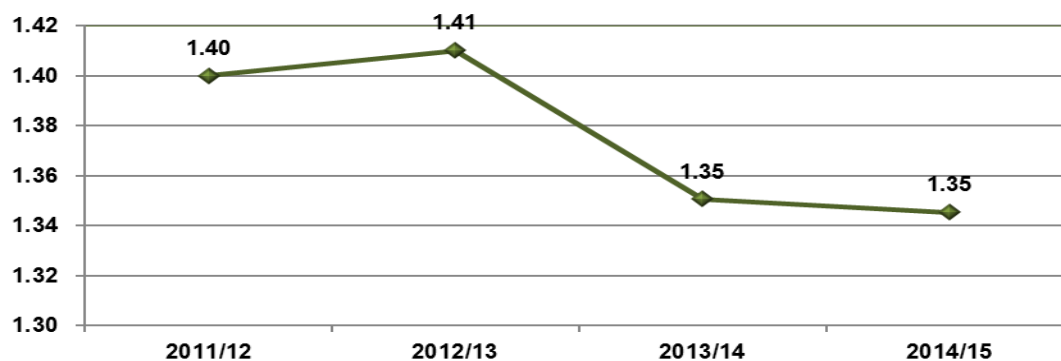
# Chapter 5

## COST COVERAGE



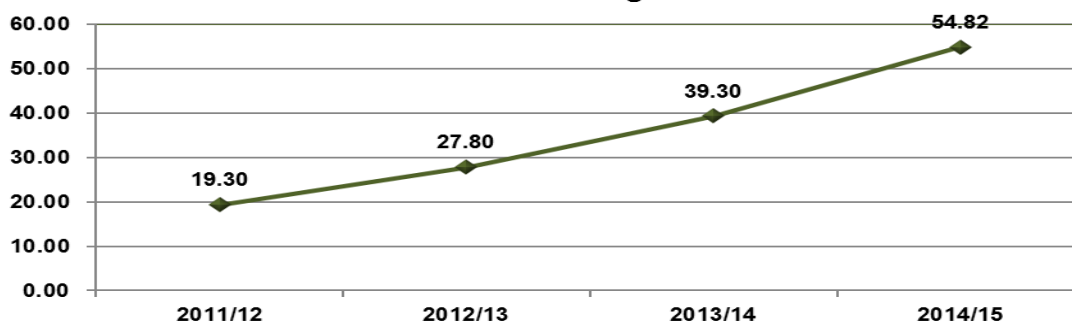
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

## Total Outstanding Service Debtors



Total Outstanding Service Debtors– Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

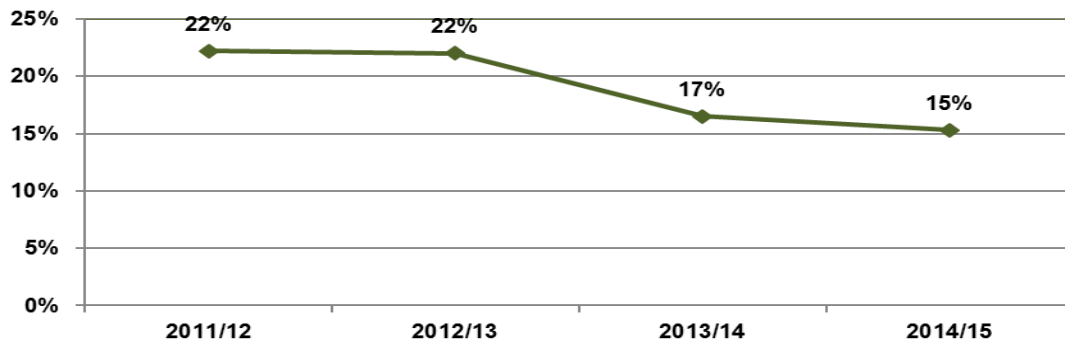
## Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

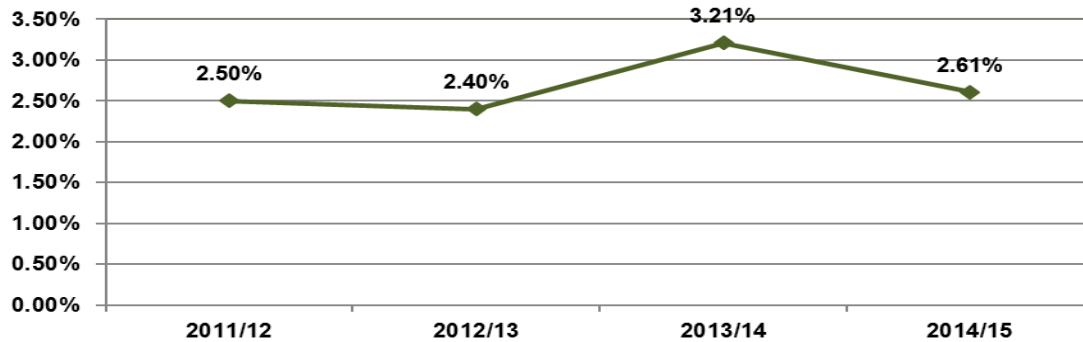
# Chapter 5

## Creditors System Efficiency



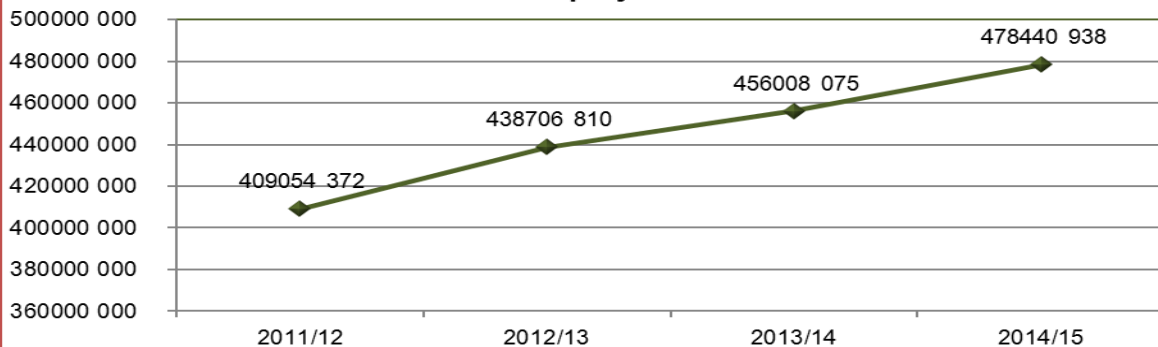
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

## Capital Charges to Operating Expenditure



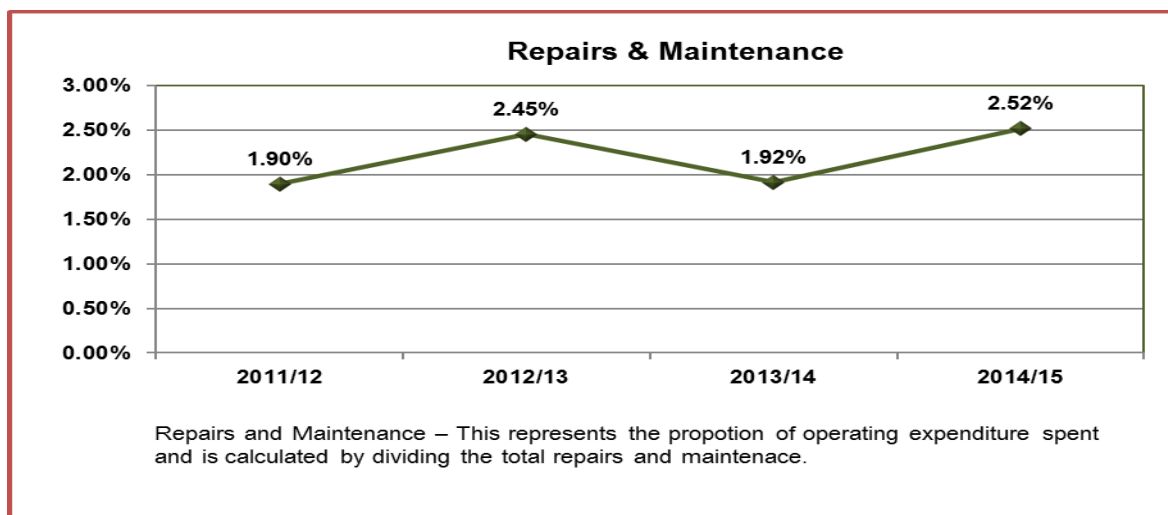
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

## Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

# Chapter 5



## COMMENTS ON THE FINANCIAL RATIO

The low liquidity ratio reflects the problems faced by the City of Matlosana that manifested due to low debt collection rates and the slow response thereto in adjusting the spending patterns. Management is actively seeking solutions in addressing the issues and there should be a recovery of the ratio over the next term.

A high cost coverage ratio is necessary in a highly fluctuating income environment as it indicates the ability to cover the expected monthly fixed expenditure costs if there is a sudden loss in income. The low ratio for the municipality does indicate a tight cash flow and it necessitates prudent cash flow management. The steady income stream makes it easier to do so. It is expected to increase further from its low point as the recovery plans bear fruit.

The total outstanding service debtor's ratio has been constant over the period and it is attributable to higher billing as well as higher debtor balances. It is the municipality's aim to reduce the ratio and in doing so to simultaneously reduce the cash flow pressures.

The debt coverage ratio has improved due to the higher income through billing. There is no specific norm attributable to this size of municipality and the ratio is mostly a factor of the amount of external funding for capital projects. Most capital projects are current grant funded while the rest are through own funding.

Although the ratio for a creditor's system efficiency is too low (must be at least 100%), we believe the ratio will improve. It is a high priority issue for the management as we want to have a great and mutual benefitting relationship with our suppliers and in doing so improve business opportunities within the KOSH area.

The present low reliance on capital funding is reflected in the ratio of capital charges to operating expenditure. The graph representing the ratios of employee costs to revenue is relatively constant (small changes due to revenue fluctuations) and falls in the ranges that are experienced in the local government sector.

The lower ratio of repairs and maintenance is of concern but cognisance must be taken of the fact that the City of Matlosana had to implement short term measures to improve the cash flow until turnaround strategies and measures improve the financial situation of the City of Matlosana.

# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The capital projects are mainly funded by Municipal Infrastructure Grants (MIG) and a minimal amount thereof by internally generated funds. For the year under review the capital budget was not fully spent due to the late appointment of service providers. A plan has been developed to avoid a recurrence of underspending in future.

Please note that the capital expenditure relating to the new works and renewal programmes, the full programme of capital projects and alignment of projects in wards are in **Appendices M, N and O** respectively.

### 5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2014/15					
					R'000
R million	Original	Adjustment	Actual	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	148	193	101	31.8%	47.5%
Operating Expenditure	2 120	2 582	2 244	-5.8%	13.1%
<b>Total expenditure</b>	<b>–</b>	<b>–</b>	<b>–</b>		
Water and sanitation	464	523	515	-11.1%	1.4%
Electricity	786	786	487	38.1%	38.1%
Housing	10	10	9	5.8%	5.8%
Roads, Pavements, Bridges and storm-water	209	204	174	16.8%	14.6%
Other	651	1 060	1 059	-62.5%	0.1%
External Loans					
Internal contributions			1		
Grants and subsidies	115	116	100	12.8%	13.4%
Other					
External Loans					
Grants and subsidies	347	349	343	100.0%	100.0%
Investments Redeemed			196		
Statutory Receipts (including VAT)					
Other Receipts					
Salaries, wages and allowances	449	483	478	-6.6%	0.9%
Cash and creditor payments	1 069	416	860	19.6%	-106.6%

# Chapter 5

CAPITAL EXPENDITURE 2014/15 (Cont)					
	R'000				
	Original	Adjustment	Actual	Original Budget variance	Adjusted Budget Variance
Capital payments	115	157	101	12.0%	35.6%
Investments made			58		
External loans repaid			15		
Statutory Payments (including VAT)					
Other payments	13	13	44	-252.1%	-241.4%
Property rates	230	218	247	-7.3%	-13.6%
Service charges	1 284	1 347	1 061	17.4%	21.2%
Other own revenue	501	554	596	-19.1%	-7.6%
Employee related costs	490	482	478	2.4%	0.8%
Provision for working capital					
Repairs and maintenance	99	90	56	42.9%	37.3%
Bulk purchases	653 260	653 260	657 629	-0.7%	-0.7%
Other expenditure	878	1 357	1 051	-19.8%	22.5%
Service charges: Electricity	584	537	594	-1.7%	-10.7%
Grants & subsidies: Electricity	41	41	19	52.8%	52.8%
Other revenue: Electricity	152	121	77	49.4%	36.4%
Employee related costs: Electricity	23	31	33	-39.7%	-5.6%
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	16	21	15	0.9%	27.7%
Bulk purchases: Electricity	477	460	449	5.9%	2.5%
Other expenditure: Electricity		130	37		72.0%
Service charges: Water	388	435	309	20.3%	28.9%
Grants & subsidies: Water	20	21	79	-291.1%	-271.4%
Other revenue: Water	165	153	50	69.5%	67.1%
Employee related costs: Water	21	32	23	-9.1%	28.4%
Provision for working capital: Water					
Repairs & maintenance: Water	23	21	12	46.9%	42.3%
Bulk purchases: Water	176	193	209	-19.1%	-8.3%
Other expenditure: Water		263	161		38.7%

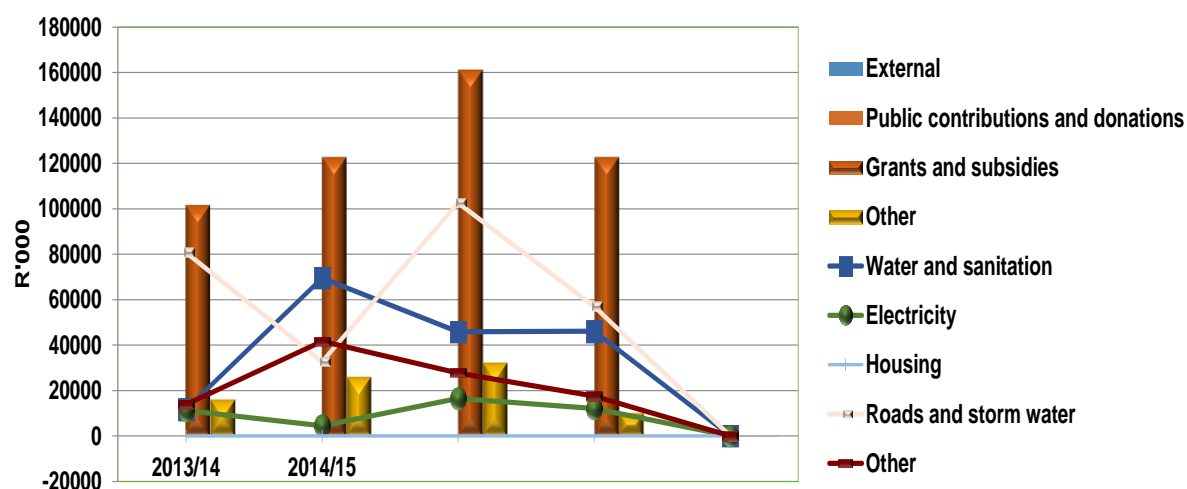
# Chapter 5

## 5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2013/14 TO 2014/15						
R' 000						
Details	2013/14	2014/15				
	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans	0	0	0	0	0.00%	0.00%
Public contributions and donations	0	0	0	0	0.00%	0.00%
Grants and subsidies	101 680	122 700	160 980	92 823	31.20%	-24.35%
Other	15 885	25 635	31 798	8 306	24.04%	-67.60%
<b>Total</b>	<b>117 565</b>	<b>148 335</b>	<b>192 778</b>	<b>101 129</b>	<b>55.24%</b>	<b>-91.95%</b>
<b>Percentage of finance</b>						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	86.5%	82.7%	83.5%	91.8%	56.5%	26.5%
Other	13.5%	17.3%	16.5%	8.2%	43.5%	73.5%
<b>Capital expenditure</b>						
Water and sanitation	11 658	69 500	45 850	46 079	-34.03%	-33.70%
Electricity	11 269	4 500	16 499	12 057	266.64%	167.93%
Housing	0	0	0	0	0.00%	0.00%
Roads and storm-water	80 802	32 700	102 668	57 090	213.97%	74.59%
Other	13 836	41 635	27 761	-14 097	-33.32%	-133.86%
<b>Total</b>	<b>117 565</b>	<b>148 335</b>	<b>192 778</b>	<b>101 129</b>	<b>413.26%</b>	<b>74.96%</b>
<b>Percentage of expenditure</b>						
Water and sanitation	9.9%	46.9%	23.8%	45.6%	-8.2%	-45.0%
Electricity	9.6%	3.0%	8.6%	11.9%	64.5%	224.0%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm-water	68.7%	22.0%	53.3%	56.5%	51.8%	99.5%
Other	11.8%	28.1%	14.4%	-13.9%	-8.1%	-178.6%

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## Source of Finance and Capital Expenditure



### COMMENT ON SOURCES OF FUNDING

The only variance on sources of funding is on public contributions and donations that only made a small contribution to the total funding.

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*					
Name of Project	Current: 2014/15			Variance: Current 2014/15	
	Original	Adjusted	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Alabama Bulk Water Supply Phase 3 2ml Pressure Tower	15 000 000	-	6 828 340	54%	100%
B - Upgrading Sewer Outfall Line Jbt Ext 7, 19 & 24 (West)	11 484 778	-	8 617 000	100%	100%
C - Solid Waste Disposal Klerksdorp	10 000 000	-	8 771 930	12%	100%
D - Pedestrian Bridge N12 Jouberton / Alabama	16 874 918	-	13 312 009	21%	100%
E - Upgrade Water Mains Kanana	15 196 615	-	13 526 187	11%	100%
* Projects with the highest capital expenditure in 2014/15					
<b>Name of Project - A</b>	Alabama Bulk Water Supply Phase 3 2ml Pressure Tower				
Objective of Project	Water Supply To Community				
Delays	None				
Future Challenges	None				
Anticipated benefits	Water Supply To Community				

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<b>Name of Project - B</b>	Upgrade Sewer Outfall Line Jouberton Ext 7,19 & 24 West
Objective of Project	Supply New Sewer Line For Community
Delays	None
Future Challenges	None
Anticipated benefits	Sewer Line For Toilets
<b>Name of Project - C</b>	Solid Waste Disposal Klerksdorp
Objective of Project	Solid Water Area For Garbage
Delays	None
Future Challenges	None
Anticipated benefits	Solid Water Area For Garbage
<b>Name of Project - D</b>	Pedestrian Bridge N12 Jouberton/Alabama
Objective of Project	Safe Walkway
Delays	None
Future Challenges	None
Anticipated benefits	Safe Walkway N12
<b>Name of Project - E</b>	Upgrade Water Mains Kanana
Objective of Project	New Water Lines
Delays	None
Future Challenges	None
Anticipated benefits	Supply Water

## COMMENTS ON CAPITAL PROJECTS

There is no variance with regard to the original budget, the lesson learn in Capital Project Implementation is that we need to start with the planning before the financial year. That planning should include design, procurement of professional service provider and procurement of contractor and we must also make it a point that all legal statutory requirements such as environmental impact assessment is done before the project starts.

Due to the reduction of allocation of funding for MIG projects from National Treasury the following projects had to be deferred to the financial year 2015/16:

- Installation of high mast lights in Khuma (Phase 4).
- Installation of high mast lights in hot spot areas in Jouberton (Phase 1).

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

City of Matlosana is growing at a fast rate as a result of fast developing and this make for more people to come into the city, it also increase the backlog in terms of the provision of houses, water, sanitation and roads. At this stage the city is struggling in sourcing the funds to reduce the backlog. There has been the movement of facilities from the nearby farms closed mines, the fever migration of some housing unit's results in some units being let out for tenants. The above-mentioned contribute to the need and costs of backlogs.

# Chapter 5

The need and costs to service illegal settlements and to renew as well as to upgrade the core infrastructure becomes annual necessity in the Matlosana area.

A combination of the cost of new infrastructure to address the illegal squatters, renewal of the worn out infrastructure and upgrading of the existing core infrastructure e.g. Bulk water supply reservoirs pipes, pump-stations, sewer outfalls, treatment plants etc results in the net demand in the Matlosana area.

The Directorate through the IDP processes identified the needs and therefore developed a three (3) year IDP program to tackle the identified needs. The initial response to the needs was to upgrade and refurbish the existing infrastructure in order to follow for future link of the illegal settlements. The Directorate will be finalising the development for roads, water and sanitation in the 2015/16 Financial Year.

SERVICE BACKLOGS AS AT 30 JUNE 2015				
Services	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Water	165 578	99. 02%	1 647	0. 98%
Sanitation	163 612	97. 84%	3 613	2. 16%
Electricity	164 436	98. 33%	2 789	1. 67%
Waste Management	163 612	97. 84%	3 613	2. 16%
% HHs are the service above / below minimum standard as a proportion of total HHs.				

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2014/15 ON SERVICE BACKLOGS						
						R' 000
Details	Budget	Adjusted	Actual	Variance		Major conditions applied by donor
					Adjust-ment	
<b>Infrastructure - Road transport</b>				%	%	
Roads, Pavements & Bridges	23 347	23 347	19 369	75%	75%	
Storm-water				%	%	
<b>Infrastructure - Electricity</b>				%	%	
Generation				%	%	
Transmission & Reticulation	995	995	880	99%	99%	
Street Lighting				%	%	
<b>Infrastructure - Water</b>				%	%	
Dams & Reservoirs				%	%	
Water purification	30 197	30 197	20 355	67%	67%	
Reticulation				%	%	
<b>Infrastructure - Sanitation</b>				%	%	
Reticulation				%	%	
Sewerage purification	23 438	23 438	14 628	62%	62%	
<b>Other Specify:</b>	9 588	9 588	5 859	61	61	
				%	%	
<b>Total</b>	<b>92 131</b>	<b>92 131</b>	<b>66 030</b>	<b>%</b>	<b>%</b>	

# Chapter 5

## COMMENTS ON BACKLOGS

The total MIG grant that have been received for the past three (3) years is R283 247 000 and this funding was not sufficient to redress the backlog within the City of Matlosana. The city also received R19 m from NDPG for the construction of the Pedestrian Bridge across N12 between Alabama and Jouberton, 200m east of Jabulani Street. The funding was used for upgrading ageing infrastructure and construction new.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow is monitored on a daily basis and is a major challenge as indicated with a negative liquidity ratio. The municipality's investments consist mainly of governmental grants of which the MIG is the main contributor and some securities.

### 5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2013/14	2014/15		
	Audited Outcome	Original	Adjusted	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	1 057 831	1 515 619	1 377 507	1 030 280
Government - operating	431 583	347183000	464 345	413 950
Government - capital				
Interest	57 068	5 348	63 058	91 202
Dividends	–	–	–	
<b>Payments</b>				
Suppliers and employees	(1 348 501)	(1 540 168)	(1 745 249)	(1 367 069)
Finance charges	(34 224)	(12 534)	(12 927)	(43 779)
Transfers and Grants	–	(4 847)	(4 847)	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>163 757</b>	<b>310 601</b>	<b>141 887</b>	<b>124 585</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1 895	422	1 000	5 105
Decrease (Increase) in non-current debtors	22		–	–
Decrease (increase) other non-current receivables	(7 639)	–	25	–
Decrease (increase) in non-current investments	2 314		6 544	(1 781)
<b>Payments</b>				
Capital assets	(132 757)	(114 856)	(115 596)	(96 128)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(136 165)</b>	<b>(114 434)</b>	<b>(108 028)</b>	<b>(92 804)</b>

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CASH FLOWS FROM FINANCING ACTIVITIES				
<b>Receipts</b>				
Short term loans				–
Borrowing long-term/refinancing			18 322	
Increase (decrease) in consumer deposits	(23 027)			6 269
<b>Payments</b>				
Repayment of borrowing	(17 004)	(15 000)	(26 839)	(54 806)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(40 031)</b>	<b>(15 000)</b>	<b>(8 517)</b>	<b>(48 537)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(12 439)</b>	<b>181 167</b>	<b>40 342</b>	<b>(16 756)</b>
Cash/cash equivalents at the year begin	58 296	49 658	49 658	49 658
Cash/cash equivalents at the yearend	49 658	230 825	90 000	32 902

## COMMENT ON CASH FLOW OUTCOMES

Cash flow is still under pressure due to a low collection rate in areas supplied by Eskom and the current economic climate. The available cash of the municipality is actively managed to ensure that the necessary basic service delivery objectives are achieved. Other measures are also being implemented to assist with cash flow constraints.

As per the financial statements Council's liquidity ratio is negative, meaning that Council's cash flow cannot cover the current monthly commitments.

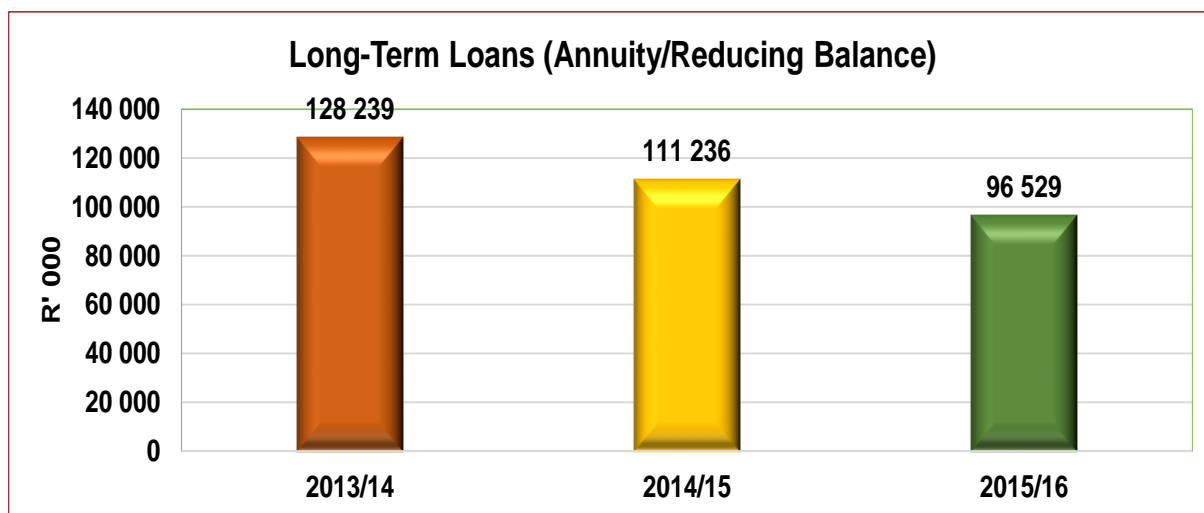
## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing as loans are serviced. The municipality's investments consist mainly of governmental grants of which the MIG is the main contributor and some securities.

ACTUAL BORROWINGS: 2013/14 TO 2015/16			
			R' 000
Instrument	2013/14	2014/15	2015/16
<b><u>Municipality</u></b>			
Long-Term Loans (annuity/reducing balance)	128 239	111 236	96 529
<b>MUNICIPALITY TOTAL</b>	<b>128 239</b>	<b>111 236</b>	<b>96 529</b>

# Chapter 5



MUNICIPAL INVESTMENTS			
			R' 000
Investment type	2012/13	2013/14	2014/15
	Actual	Actual	Actual
Securities - National Government	65 060	65 355	50 925
Listed Corporate Bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates	6 150	6 473	7 304
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
<b>TOTAL</b>	<b>71 210</b>	<b>71 828</b>	<b>58 229</b>

## COMMENTS ON BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing as loans are serviced. The municipality's investments consist mainly of governmental grants of which the MIG is the main contributor and some securities.

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The council developed a Supply Chain Management Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006.

The council also adopted the new Preferential Procurement Regulations, 2011. A new SCM Policy, incorporating the above-mentioned regulations as well as all other relevant legislation, regulations and circulars, has been developed and approved by the council.

In terms of the municipal supply chain management policy, no councillors are members of any committee handling Supply Chain Management processes. The following must also be noted with regard to Supply Chain Management in Matlosana:

- ◆ 2 Officials of Supply Chain Management have reached the prescribed levels but 3 officials will be attending training courses in order to reach the prescribed competency levels.
- ◆ 3 Supply Chain officials are yet to reach the necessary competency levels.

### 5.13 GRAP COMPLIANCE

#### GRAP COMPLIANCE

The City of Matlosana applies Generally Recognised Accounting Practices (GRAP) in compilation of its financial statements. As part of the 2013/14 financial statements preparation process, a full GRAP compliance exercise was done.

# Chapter 6

## Chapter 6



# Chapter 6

## **CHAPTER 6 – AUDITOR-GENERAL'S AUDIT FINDINGS**

### **INTRODUCTION**

The Audited 2014/15 Annual Report, including the Annual Financial Statements and Annual Performance Report is submitted to the Auditor-General on 31 August 2015 for auditing, as per legislative requirement.

### **COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2013/14**

#### **6.1 AUDITOR-GENERAL REPORTS 2013/14**

##### **AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2013/14**

###### **Qualified opinion**

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and the DoRA.

##### **COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2013/14**

It is the opinion of management that there will be a further improvement on the audit opinion for 2014/2015 with the envisaged continuation of the efforts mentioned above.

Issues raised by the Auditor-General has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objective is achieved through regular and continuous progress reporting mechanisms.

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL'S OPINION 2014/15

### 6.2 AUDITOR-GENERAL'S REPORT 2014/15



## Report of the auditor-general to the North West provincial legislature and the council on the City of Matlosana

### Report on the financial statements

#### Introduction

1. I have audited the financial statements of the City of Matlosana set out on pages 306 to 358, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## Basis for qualified opinion

### Irregular expenditure

6. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure of R257 875 124 (2014: R1 929 968 092) disclosed in note 44 due to procurement documentation missing or with forensic investigators. I was unable to confirm this irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments relating to irregular expenditure of R2 187 843 216 disclosed in the financial statements was necessary.

### Consumer debtors

7. During 2014, I was unable to obtain sufficient appropriate audit evidence to verify consumer debtors as the municipality did not have an adequate document management system to verify all consumer debtors. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to determine whether any adjustments to consumer debtors and impairment of receivables of R1 580 750 369 and R1 504 951 425 disclosed in note 11 to the financial statements were necessary. My audit opinion on the financial statements for the period ended 30 June 2014 was modified accordingly. I was still unable to confirm consumer debtors and impairment by alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

### Accumulated surplus

8. During 2014, I was unable to obtain sufficient appropriate audit evidence regarding the accumulated surplus as the municipality could not provide adequate documentation for adjustments made to the accumulated surplus. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to determine whether any adjustments to accumulated surplus of R5 674 639 041 disclosed in statement of financial position and the statement of net assets were necessary.



# Chapter 6

My audit opinion on the financial statements for the period ended 30 June 2014 was modified accordingly. I was still unable to confirm these adjustments by alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

## Accumulation of immaterial uncorrected misstatements

9. During 2014, The financial statements were materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following items making up the statement of financial position:
- Unspent conditional grants reflected as R55 521 713 was understated by R13 389 002.
  - Trade payables included in payables from exchange transactions reflected as R335 815 550 was understated by R10 223 641.
- In addition, I was unable to obtain sufficient appropriate audit evidence to confirm the following item by alternative means:
- Sundry creditors of R12 349 957 as included in the disclosed balance of R52 281 648 included in payables from exchange transactions.
- My audit opinion on the financial statements for the period ended 30 June 2014 was modified accordingly. I was still unable to confirm these items by alternate means. Consequently, my opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

## Qualified opinion

10. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and the DoRA.

## Emphasis of matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## Unauthorised and fruitless and wasteful expenditure

12. As disclosed in note 42 to the financial statements, unauthorised expenditure of R20 051 989 was incurred in the current year and the unauthorised expenditure in respect of prior years of R1 404 482 186 had not yet been dealt with in accordance with section 32 of the MFMA.
13. As disclosed in note 43 to the financial statements, fruitless and wasteful expenditure of R33 986 873 was incurred in the current year and fruitless and wasteful expenditure from prior years of R54 228 686 had not yet been dealt with in accordance with section 32 of the MFMA.



# Chapter 6

## Material impairments and distribution losses

14. As disclosed in note 32 to the financial statements, the municipality incurred water and electricity losses of 36% (2014: 36%) and 27% (2014:26%) respectively. In addition, disclosed in note 26 to the financial statements, impairments of R296 473 318 (2014: R199 453 276) were incurred as a result of significant impairment of debtors.

## Restatement of corresponding figures

15. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an errors discovered during 2015 and prior period errors corrected in 2015 in the financial statements of the City of Matlosana at, and for the year ended, 30 June 2014.

## Going concern

16. The statement of financial performance indicates that the City of Matlosana incurred a deficit of R338 987 347 during the year ended 30 June 2015 and, as of that date, the municipality's current liabilities exceeded its current assets by R344 881 287. These conditions, along with other matters as set forth in note 40, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

## Material under spending of the grant

17. As disclosed in note 21 to the financial statements, the municipality needed to surrender back to National Treasury an amount of R35 923 000 (2014: R40 100 000) due to non-spending of the Municipal Infrastructure Grant (MIG) allocations for infrastructure projects. As a consequence, the municipality was unable to adequately fulfil its mandate.

## Additional matter

18. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited supplementary schedules

19. The supplementary information set out on pages 359 to 362 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.



# Chapter 6

## Report on other legal and regulatory requirements

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### Predetermined objectives

21. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance areas presented in the annual performance report of the municipality for the year ended 30 June 2015:
- Key performance area 1: Service delivery and infrastructure development on pages 140 to 148; 150 to 155; 189 (ROA11) and 197 to 203.
  - Key performance area 4: Municipal financial viability and management on pages 164 to 168; 189 to 191 (RM1 – BUD3) and 205 to 208.
22. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
23. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned key performance areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
24. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. I did not identify any material findings on the usefulness and reliability of the reported performance information on any of the selected key performance areas of the municipality.

### Additional matters

26. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected key performance areas, I draw attention to the following matters:



# Chapter 6

## Achievement of planned targets

27. Refer to the annual performance report on pages 140 to 208 for information on the achievement of the planned targets for the year.

## Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for key performance area 1: Service delivery and infrastructure development and key performance area 4: Municipal financial viability and management. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

## Compliance with legislation

29. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## Annual financial statements and annual reports

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

## Expenditure management

31. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
32. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

## Liability management

33. Long-term debt was incurred without a resolution of the municipal council approving the debt agreement, in contravention of section 46(2)(a) of the MFMA.



# Chapter 6

## Consequence management

34. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.
35. Allegations of financial misconduct against senior managers were not always tabled before council, as required by regulation 5(2) of the Disciplinary regulations for senior managers.
36. Allegations of financial misconduct laid against officials of the municipality were not investigated in accordance with the requirements of section 171(4)(a) of the MFMA and the Municipal regulations on financial misconduct procedures and criminal proceedings 5(1).

## Human resource management and compensation

37. The competencies of the senior managers were not assessed in a timely manner in order to identify and address gaps in competency levels as required by regulation 13 of the Municipal Regulations on Minimum Competency Levels.

## Procurement and contract management

38. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive were followed, as procurement documentation were either missing or with forensic investigators.
39. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by supply chain management (SCM) regulations 17(a) and (c).
40. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
41. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM regulations 22(1) and 22(2).
42. Sufficient appropriate audit evidence could not be obtained that bid specifications for procurement of goods and services through competitive bids were drafted in an unbiased manner that allowed all potential suppliers to offer their goods or services, as per required by SCM regulation 27(2)(a).
43. Sufficient appropriate audit evidence could not be obtained that bids were evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).
44. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by SCM Regulations 21(b) and 28(1)(a) and Preferential Procurement Regulations.



# Chapter 6

45. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
46. Thresholds for local content on designated sectors procurement were not properly applied in accordance with the requirements of Preferential Procurement Regulation 9.
47. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b).
48. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPF) and SCM regulation 28(1)(a).
49. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the PPPF Act and its regulations.
50. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored the highest points in the evaluation process, as required by of section 2(1)(f) of PPPF Act.
51. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who submitted a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
52. Construction contracts were awarded to contractors that did not qualify for the contract, in accordance with section 18(1) of the Construction Industry Development Board Act (CIDB) Act, 2000 (Act No. 38 of 2000) and CIDB regulations 17 and 25(7A).
53. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
54. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
55. Awards were made to providers who are in the service of the municipality and whose directors/ principal shareholders are in the service of the municipality in contravention of section 112(j) of the MFMA and SCM regulation 44. Furthermore the provider failed to declare that he/she was in the service of the municipality, as required by SCM regulation 13(c). Similar non-compliance was reported in the prior year and the municipality did not take disciplinary action against the suppliers / officials involved.
56. Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).



# Chapter 6

57. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by the code of conduct for staff members issued in terms of the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA).
58. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

## Environmental management

59. The municipality did not exercise its legislative and executive authority as required by the sections 11(3)(l) and (m) of the MSA by managing, monitoring and enforcing environmental related bylaws to promote a safe and healthy environment.
60. The municipality operated its wastewater treatment facilities without a license in contravention of section 20(b) of the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) (NEMWA), section 24(2)(a) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and section 22(1)(b) of the National Water Act, 1998 (Act No. 36 of 1998) (NWA).
61. The municipality's operational activities at its waste disposal sites and wastewater treatment facilities contravened or failed to comply with the requirements of a waste management license or the regulatory norms and standards as required by sections 67(1)(f) and (h) of the NEMWA and section 151(1)(c) and (i) of the NWA.
62. The municipality's waste management and disposal activities contravened or failed to comply with the requirements of section 28(1) of the NEMA, section 19 of the NWA and sections 16(1)(c), (d) and 26(1)(b) of the NEMWA.

## Internal control

63. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

## Leadership

64. The leadership has not been able to enforce a culture of honesty, ethical business practices and good governance. Although resolutions adopted by Council to address prior year audit findings had a positive impact on the audit, the implementation thereof was mostly done through consultants. The sustainability remains a challenge given the vacancies and appropriate skill deficiencies that exist in the finance section.
65. Effective human resource management is not implemented, to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. An effective organisational structure for placing appropriately skilled people is not in place. There was a lack of continuity in key management positions due to suspensions and resignations, leading to these positions being filled by acting officials.



# Chapter 6

## Financial and performance management

66. The municipality did not implement a proper record keeping system to ensure that complete, relevant and accurate information is accessible and available to support financial reporting and compliance with laws and regulations.
67. Management's continuous failure to comply with laws and regulations as well as their inability to implement controls to ensure reliable and accurate financial reporting, is a concern. This factor, as well as the continuous non adherence with the supply chain management policy without consequences, reflects negatively on management's commitment towards a clean administration.

## Governance

68. Management do not have an adequate risk strategy that addresses financial and performance reporting as well as non-compliances with laws and regulations.
69. The internal audit department did not have an impact as their recommendations were not always implemented mainly due to the lack of capacity at senior management level within the municipality.
70. The newly appointed audit committee could not provide adequate oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with laws and regulations.

## Other reports

## Investigations

71. An independent consulting firm is performing an investigation at the request of the Premier of the province. The investigation was initiated based on an allegation of possible financial mismanagement at the municipality. The investigation is still ongoing at date of this report.

*Auditor General.*

Rustenburg

30 November 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# Chapter 6

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2014/15

Due to financial and management constraints and issues that transpired out of the previous audit results a provincial intervention was called on in the form of sec. 139(b). This brought the first administrator on board early 2014 till December 2014 while the current administrator took over from January 2015.

We also lobbied the Provincial Government for additional resources to help the different sections in the finance department to produce the necessary supporting documents, verifications and reconciliations as required. We did not succeed in retaining the resources as was initially indicated. This delayed some of our plans as we then had to procure the resources ourselves. Even though the allocated resources were late, they made a substantial impact on the audit process as they guided and helped our different departments in complying with the requests and findings of the Auditor-General for the 2014/15 financial year.

It was also always important for the municipality to have a mutual benefitting relationship with the Auditor-General. This year there was the obligatory change in audit teams and we again aimed at building a good relationship by complying with their requests as best as we could and using their input in resolving issues where afforded and possible.

A lot of hard work by various stakeholders has subsequently resulted in that we have halved the listed issues that lead to the previous years qualified audit opinion. Three of the items relate to comparative figures that will not feature in the 2015/16 audit. The only other item relates to irregular expenditure and affects the current and comparative year figures. It is managements opinion that there will be a solution obtained before the start of the next audit as the matter relates to opinions on how missing documentation affect the report.

It is the opinion of management that there will be a further improvement on the audit opinion for 2015/2016 with the envisaged continuation of the efforts mentioned above.

Issues raised by the Auditor-General has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objective is achieved through regular and continuous progress reporting mechanisms.

A high level overview of the issues raised by the Auditor-General on the 2014/15 Annual Financial Statements and the related corrective actions are presented in the table below:

AR PAR	AUDIT ISSUE	CORRECTIVE ACTION
6	<b>Irregular expenditure</b>	We will engage with the AG on how to resolve this issue because the finding has arrived due to missing information / documents that is still missing.
7	<b>Consumer debtors</b>	This item won't be an audit issue for the 15/16 year because it was an issue only for the comparative period.
8	<b>Accumulated surplus</b>	This item won't be an audit issue for the 15/16 year because it was an issue only for the comparative period.
9	<b>Accumulation of immaterial uncorrected misstatements</b>	This item won't be an audit issue for the 15/16 year because it was an issue only for the comparative period.

# Chapter 6

AR PAR	AUDIT ISSUE	CORRECTIVE ACTION
12-13	<b>Unauthorised and fruitless and wasteful expenditure</b>	Establish controls to prevent fruitless and wasteful expenditure as well as unauthorised expenditure. The registered expenditure will be dealt with in accordance with section 32 of the MFMA. Council Committee established to deal with all unauthorised and fruitless and wasteful expenditure. The investigative process to identify the responsible parties regarding the named expenditures still to be conducted.
14	<b>Material impairments and distribution losses</b>	This item is on top management agendas. Plans need to be implemented to curb losses and effect higher collection rate.
16	<b>Going concern</b>	The provincial intervention and turnaround strategy will address this issue.
17	<b>Material under spending of the grant</b>	Top management must ensure that the budgeted amounts are spent on time.
30	<b>Annual financial statements and annual reports</b>	All of the planned actions plans will result in an improvement of the annual financial statements.
31-32	<b>Expenditure management</b>	Non-adherence to MFMA section 65(2) (e) is due to cash flow constraints and will continue for the next periods. It is also the leading cause of fruitless and wasteful expenditure as it is mostly represented by interest charged on the overdue accounts from Eskom and Midvaal.
33	<b>Liability management</b>	It contract identified needs to be brought to council for ratification.
34-36	<b>Consequences management</b>	The intervention by the administrator was to instil the processes and procedures to fully comply with the regulatory framework. Investigations and reports were tabled and processes put in place.
37	<b>Human resource management and compensation</b>	As part of the turn-around strategy the focus would have been to do a proper resource management to ensure that we have competent personnel that is skilled and able to perform as per the job requirements.
38-58	<b>Procurement and contract management</b>	The supply management structure including bid committees will be reviewed to facilitate implementation of and compliance with the supply chain management policy. A record management system is being investigated. Continuous training will be provided to supply chain officials, bid committee members and officials in general to promote and ensure compliance with the supply chain policy and regulations.
59-62	<b>Environmental management</b>	The municipality is in the process of formalising all the waste management sites and applying for the relevant licenses where applicable. Management is attending to regulatory and environmental issues.

# Chapter 6

AR PAR	AUDIT ISSUE	CORRECTIVE ACTION
64-65	<b>Leadership</b>	The municipality was placed under administration for an additional year. Various vacant senior positions are in the process of being filled. The new leadership and guidance should instil the values and commitments to ensure a turnaround in the performance of the municipality.
38-58	<b>Procurement and contract management</b>	The supply management structure including bid committees will be reviewed to facilitate implementation of and compliance with the supply chain management policy. A record management system is being investigated. Continuous training will be provided to supply chain officials, bid committee members and officials in general to promote and ensure compliance with the supply chain policy and regulations.
59-62	<b>Environmental management</b>	The municipality is in the process of formalising all the waste management sites and applying for the relevant licenses where applicable. Management is attending to regulatory and environmental issues.
64-65	<b>Leadership</b>	The municipality was placed under administration for an additional year. Various vacant senior positions are in the process of being filled. The new leadership and guidance should instil the values and commitments to ensure a turnaround in the performance of the municipality.
66-67	<b>Financial and performance management</b>	All of the planned actions plans will result in an improvement of the annual financial statements. Consequence management.
68-70	<b>Governance</b>	A dedicated risk management officer has been appointed who will be responsible for the implementation of the risk management plan.

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2014/15

Performance Management has received an unqualified audit opinion from the Auditor-General.

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.



**SP RAMAGAGA**  
**ADMINISTRATOR**

**21 JANUARY 2016**

## Glossary



# Glossary

## GLOSSARY

GLOSSARY	
<b>ACCESSIBILITY INDICATORS</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>ACCOUNTABILITY DOCUMENTS</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>ACTIVITIES</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>ADEQUACY INDICATORS</b>	The quantity of input or output relative to the need or demand.
<b>ANNUAL REPORT</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>APPROVED BUDGET</b>	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
<b>BASELINE</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>BASIC MUNICIPAL SERVICE</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
<b>BUDGET YEAR</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>COST INDICATORS</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>DISTRIBUTION INDICATORS</b>	The distribution of capacity to deliver services.
<b>FINANCIAL STATEMENTS</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>GENERAL KEY PERFORMANCE INDICATORS</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>IMPACT</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>INPUTS</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>INTEGRATED DEVELOPMENT PLAN (IDP)</b>	Set out municipal goals and development plans.
<b>NATIONAL KEY PERFORMANCE AREAS</b>	<ul style="list-style-type: none"> <li>➤ Service delivery &amp; infrastructure</li> <li>➤ Economic development</li> <li>➤ Municipal transformation and institutional development</li> </ul>

# Glossary

	<ul style="list-style-type: none"> <li>➤ Financial viability and management</li> <li>➤ Good governance and community participation</li> </ul>
<b>OUTCOMES</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>OUTPUTS</b>	The final products or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>PERFORMANCE INDICATOR</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
<b>PERFORMANCE INFORMATION</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>PERFORMANCE STANDARDS</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>PERFORMANCE TARGETS</b>	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>VOTE</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> <li>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</li> <li>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</li> </ul>

# Appendices



# Appendices

## APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL - ATTENDANCE

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr MK Khauoe	FT	Executive Mayor	PR ANC	99%	1%
Cllr LM Kortjas	FT	Speaker	PR ANC	99%	1%
Cllr GS Nkebe	FT	Single Whip	PR ANC	100%	0%
Cllr MMS Lee	FT	MMC Finance and Debt Normalisation	PR ANC	100%	0%
Cllr TI Thobedi	FT	MMC Corporate Services	WC ANC	100%	0%
Cllr ME Kgaile	FT	MMC Transversal Issues	PR ANC	100%	0%
Cllr GR Kgosi	FT	MMC Economic Growth & Market	PR ANC	98%	2%
Cllr ME Mthimkulu	FT	MMC Sport, Arts & Culture	PR ANC	100%	0%
Cllr GC Mbobo	FT	MMC Public Safety	WC ANC	100%	0%
Cllr LM Mothibedi	FT	MMC Housing, Land & Rural Development	PR ANC	99%	1%
Cllr PR Pooe	FT	MMC Health and Community Services	PR ANC	99%	1%
Cllr RA Matsepe	FT	MMC Infrastructure	WC ANC	99%	1%
Cllr NS Mandela	FT	MMC Electrical and Mechanical Engineering	PR ANC	100%	0%
Cllr LT Mabunda	FT	Chairperson MPAC	PR ANC	99%	1%
Cllr EG Hart	PT	MPAC	PR DA	100%	0%
Cllr MD Mogorosi	PT	Infrastructure	WC ANC	100%	0%
Cllr KL Ross	PT	Housing, Land & Rural Development	PR DA	100%	0%
Cllr MD Mere	PT	Economic Growth & Market	WC ANC	100%	1%
Cllr LL Appels	PT	Sport, Arts & Culture	WC DA	98%	2%
Cllr BM Plaatjie	PT	Transversal Issues	WC ANC	99%	1%
Cllr ST Mpshapudi	PT	Housing, Land & Rural Development	WC ANC	99%	1%
Cllr SD Montoedi	PT	MPAC	WC ANC	99%	1%
Cllr MF Nthaba	PT	MPAC	WC ANC	100%	0%
Cllr SL Moremi	PT	Transversal Issues	WC ANC	100%	0%
Cllr GJ Mohale	PT	MPAC	WC ANC	99%	1%
Cllr MI Mangesi	PT	Sport, Arts & Culture	WC ANC	100%	0%
Cllr MM Chao	PT	Electrical & Mechanical Engineering	WC ANC	100%	0%
Cllr LA Lenepa	PT	Community & Health Services	WC ANC	100%	0%

# Appendices

## COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr PJ Swart	PT	Finance & Debt Normalisation	WC DA	100%	0%
Cllr A Combrinck	PT	MPAC	WC DA	100%	0%
Cllr EM Postma	PT	Corporate Services	WC DA	100%	0%
Cllr EPJ Nel	PT	Infrastructure	WC DA	99%	1%
Cllr JJ Le Grange	PT	MPAC	WC DA	100%	0%
Cllr MM Booysen	PT	Economic Growth & Market	WC ANC	100%	0%
Cllr TB Mpukwana	PT	Corporate Services	WC ANC	100%	0%
Cllr MA Thelejane	PT	Sport, Arts & Culture	WC ANC	99%	1%
Cllr MS Sefika	PT	Electrical & Mechanical Engineering	WC ANC	100%	0%
Cllr LM Phakoe	PT	MPAC	WC ANC	100%	0%
Cllr NE Lekoala	PT	Transversal Issues	WC ANC	97%	3%
Cllr BC Matolo	PT	Community & Health Services	WC ANC	100%	0%
Cllr CJ Bester	PT	Finance & Debt Normalisation	WC DA	100%	0%
Cllr SM Steyn	PT	Economic Growth & Market	WC DA	99%	1%
Cllr WJJ Louwrens	PT	Infrastructure	WC DA	100%	0%
Cllr GA Mohoemang	PT	Corporate Services	WC ANC	100%	0%
Cllr SL Sithole	PT	Community & Health Services	WC ANC	99%	1%
Cllr AN Matross	PT	MPAC	WC ANC	100%	0%
Cllr HF Saudi	PT	Housing, Land & Rural Development	WC ANC	100%	0%
Vacant (occupied by Cllr IJ Molebatsi)		Public Safety	WC ANC	-	-
Cllr JM Sebata	PT	Sport, Arts & Culture	PR ANC	98%	2%
Cllr MC Dithejane	PT	Corporate Services	PR ANC	100%	0%
Cllr NG Malete	PT	Public Safety	PR DA	98%	2%
Cllr SL Nakedi	PT	Housing, Land & Rural Development	PR ANC	100%	0%
Cllr MP Hlaka	PT	Housing, Land & Rural Development	PR DA	100%	0%
Cllr MS Sishuba	PT	MPAC	PR ANC	100%	0%
Cllr M Coetzee	PT	Community & Health Services	PR DA	100%	0%
Cllr IG Hendricks	PT	Transversal Issues	PR DA	99%	1%
Cllr FI Tagaree	PT	Finance & Debt Normalisation	PR ANC	99%	1%
Cllr MM Bontsi	PT	Finance & Debt Normalisation	PR ANC	98%	2%

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## COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr LL Cutswa	PT	Infrastructure	PR ANC	100%	0%
Cllr IM Groenewald	PT	MPAC	PR FF+	96%	4%
Cllr PT Horn (Cllr EJ Legassick resigned)	PT	Finance & Debt Normalisation	PR FF+	100%	0%
Cllr AL Lobese	PT	Economic Growth & Market	PR ANC	100%	0%
Cllr NM Maseko	PT	Infrastructure	PR ANC	99%	1%
Cllr OM Mogale	PT	Finance & Debt Normalisation	PR ANC	99%	1%
Cllr GA Ramphele	PT	Electrical and Mechanical Engineering	PR ANC	97%	3%
Cllr L Robinson	PT	Economic Growth & Market	PR DA	97%	3%
Cllr TL Sekgothe	PT	Public Safety	PR ANC	100%	0%
Cllr NE George	PT	MPAC	PR COPE	98%	2%
Cllr KE Kgang	PT	Public Safety	PR ANC	100%	0%
Cllr KL Dire	PT	Transversal Issues	PR ANC	100%	0%

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## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
Committee	Purpose of Committee
Finance Committee	<ul style="list-style-type: none"> <li>➤ Regulated by the LG: MFMA</li> </ul>
Housing, Land Affairs and Rural Development	<ul style="list-style-type: none"> <li>➤ Building Regulations</li> <li>➤ Municipal Planning</li> <li>➤ Pontoons, ferries, jetties, piers and harbours</li> <li>➤ Billboards and the display of advertisements in public places</li> </ul>
Economic Growth and Market	<ul style="list-style-type: none"> <li>➤ Local Tourism</li> <li>➤ Markets</li> <li>➤ Street trading</li> </ul>
Community and Health Services	<ul style="list-style-type: none"> <li>➤ Child care facilities</li> <li>➤ Municipal Health services – not executed by the Provincial department of Health</li> <li>➤ Municipal Airports</li> <li>➤ Amusement facilities</li> <li>➤ Cemeteries, funeral parlours and crematoria</li> <li>➤ Cleansing</li> <li>➤ Facilities for the accommodation, care and burial of animals</li> <li>➤ Licensing and control of undertakings that sell food to the public</li> <li>➤ Local amenities</li> <li>➤ Municipal abattoirs</li> <li>➤ Municipal parks and recreation</li> <li>➤ Pounds</li> <li>➤ Public places</li> <li>➤ Refuse removal, refuse dumps and solid waste disposal</li> </ul>
Sport, Arts and Culture	<ul style="list-style-type: none"> <li>➤ Councillors provide oversight role to all committee</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>➤ Municipal Public works</li> <li>➤ Storm-water management systems</li> <li>➤ Water and sanitation services</li> <li>➤ Fencing and fences</li> <li>➤ Municipal Roads</li> </ul>
Public Safety	<ul style="list-style-type: none"> <li>➤ Fire fighting services</li> <li>➤ Municipal Public Transport</li> <li>➤ Trading regulations</li> <li>➤ Control of public nuisances</li> <li>➤ Licensing of dogs</li> <li>➤ Noise pollution</li> <li>➤ Traffic and Parking</li> <li>➤ Control of undertakings that sell liquor to the public</li> </ul>
Electrical Engineering	<ul style="list-style-type: none"> <li>➤ Electricity and gas reticulation</li> <li>➤ Street lighting</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>➤ Records Management</li> <li>➤ Legal Services</li> <li>➤ Communication</li> <li>➤ HR Administration</li> <li>➤ HR Development and Training</li> <li>➤ Labour Relations</li> <li>➤ Administration of staff benefit schemes</li> <li>➤ Administration of employment equity policy</li> </ul>

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	<ul style="list-style-type: none"> <li>➤ Keeping of personnel records</li> <li>➤ Work-study</li> <li>➤ Disciplinary procedures administration</li> <li>➤ Administration of SETA</li> <li>➤ Committee to develop system and procedures providing for fair, efficient, effective and transparent personnel administration including:               <ul style="list-style-type: none"> <li>* Conduct of disciplinary hearings</li> <li>* Representation of Council on the Local Bargaining Committee</li> <li>* System for the monitoring, measuring and evaluating staff performance</li> <li>* System for capacity building and training</li> <li>* Recruitment, selection, transfer and appointment of personnel</li> <li>* Promotion and demotion</li> </ul> </li> </ul>
Transversal Issues	<ul style="list-style-type: none"> <li>➤ Deal with all Transversal Issues in the Office of the Executive Mayor</li> <li>➤ Administer women, youth, disabled and elderly matters</li> </ul>
Anglo Gold Ashanti Committee	<ul style="list-style-type: none"> <li>➤ To facilitate, intervene and assess progress, developments, challenges and based on reports to chart a way forward to achieve the sustainable development of communities in the Matlosana Council jurisdiction area aligned with Mining Houses sustainable development objectives</li> <li>➤ To discuss the transfer of certain properties of Mining Houses to the Council</li> <li>➤ To mandate the Implementation Committee to proceed on a strategic drive, e.g. the incorporation of assets</li> <li>➤ To make recommendations to Council with regard to joint LED projects</li> </ul>
Midvaal Water Committee	<ul style="list-style-type: none"> <li>➤ To represent Council on the Midvaal Water Companies Management Structure</li> </ul>
Orkney Vaal Committee	<p>Recommend to Council to:</p> <ul style="list-style-type: none"> <li>➤ convert the entire resort into several sectional title units</li> <li>➤ release Council from the Administrative and financial burden that Orkney Vaal has imposed on Council</li> <li>➤ ensure that the resort as a residential area has the infrastructure and ability to be an area of high quality and therefore an asset to the City of Matlosana</li> <li>➤ implement the Turnaround strategy at Orkney Vaal</li> </ul>
Heritage Committee	<ul style="list-style-type: none"> <li>➤ To assist in the requirements of the National Heritage Resources Act, Act 25 of 1999, inter alia for:               <ul style="list-style-type: none"> <li>* Protection and Management of heritage resources</li> <li>* Identification and Protection of the heritage sites</li> <li>* Documentation and Registration thereof</li> <li>* Management of Heritage site</li> <li>* Presentation and Protection and that the municipality have to formulate/maintain, appropriate by-laws for the protection of the heritage sites.</li> </ul> </li> </ul>
Health Committee	<ul style="list-style-type: none"> <li>➤ To represent Council on the District Health Forum</li> </ul>

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## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Title	Name
Chief Audit Executive	Seero MV
Security Manager	Vacant
Deputy Director : Office of the Municipal Manager	Marumo ME
Chief Risk Officer	Moabelo NM
Deputy Director : Corporate Services	Ciya DN
Deputy Director : Office of the Executive Mayor	Baholo N
Deputy Director : Human Resource and Labour Relations	Vacant
Deputy Director : Mechanical Services	Rannona KD
Deputy Director : Community Services	Masilo MJ
Deputy Director : Sport, Arts and Culture	Morebodi MG
Deputy Director : Public Safety	Marais AJS
Deputy Director : ICT	Vacant
Deputy Director : Income and Expenditure	Kwenamore WM
Deputy Director : Budget and Treasury Office	Vacant
Assistant Director : Administration	Jansen van Rensburg JE
Assistant Director : Legal Services	Mokansi MG
Assistant Director : Human Resource Management and Development	Mbotshane A.T.
Assistant Director : Labour Relations	Vacant
Assistant Director : Office of the Speaker	Motingoe IS
Assistant Director : Office of the Whip	Matyana AV
Assistant Director : LED	Khuzwayo MA
Assistant Director : Corporate Communication	Phele ND
Market Master	Conradie JS
Assistant Director : Water	Sibanyoni GK
Assistant Director : Sewerage	Pilusa JJ
Assistant Director : Roads, Storm-Water and Landfill	Ntlatleng MSL
Assistant Director : Development Planning and Building Inspectorate	Selemoseng LD
Assistant Director : Housing Services	Phala SP
Assistant Director : Planning and Project Management	De Lange JF
Assistant Director : High and Low Voltage Distribution	Mabaso SA
Assistant Director : Municipal Services, Garage and Mechanical Workshop	Vacant
Assistant Director : Traffic and Security	Ntozini RW
Assistant Director : Licensing	Muntu SP
Assistant Director : Fire and Rescue	Deyzel T
Assistant Director : Primary Health Care	Motsoenyane NM
Assistant Director : Refuse Removal and Cleansing	Du Plessis TW
Assistant Director : Parks and Cemeteries	Bindemann HF
Assistant Director : Library Services	Olivier HEM
Assistant Director : Expenditure Management	Lethoo JG
Assistant Director : Supply Chain Management	Motileni TB
Assistant Director : Debt Management	Weitsz K
Assistant Director : Revenue Management	Vacant
Assistant Director : Budgeting and Planning	Rossouw H.S.

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## APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	
Constitution Schedule 4, Part B functions:	(Yes / No)
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Storm-water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

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## APPENDIX E – WARD REPORTING

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	Cllr MD Mogorosi	Yes	12	12	04
Ward 02	Cllr MD Mere	Yes	12	12	04
Ward 03	Cllr LL Appels	Yes	12	12	03
Ward 04	Cllr BM Plaatjie	Yes	12	12	03
Ward 05	Cllr ST Mpshapudi	Yes	12	12	08
Ward 06	Cllr SD Montoedi	Yes	12	12	07
Ward 07	Cllr HF Saudi	Yes	12	12	05
Ward 08	Cllr MF Nthaba	Yes	12	12	03
Ward 09	Cllr SL Moremi	Yes	12	12	08
Ward 10	Cllr GJ Mohale	Yes	12	12	04
Ward 11	Cllr MI Mangesi	Yes	12	12	07
Ward 12	Cllr MM Chao	Yes	12	12	06
Ward 13	Cllr M S Sishuba (Acting)	Yes	10	10	06
Ward 14	Cllr LA Lenepa	Yes	12	12	06
Ward 15	Cllr PJ Swart	Yes	12	12	01
Ward 16	Cllr A Combrinck	Yes	12	12	00
Ward 17	Cllr EM Postma	Yes	12	12	00
Ward 18	Cllr EPJ Nel	Yes	12	12	00
Ward 19	Cllr JJ Le Grange	Yes	12	12	00
Ward 20	Cllr MM Booysen	Yes	12	12	10
Ward 21	Cllr TB Mpukwana	Yes	0	0	00
Ward 22	Cllr MA Thelejane	Yes	12	12	04
Ward 23	Cllr GC Mbobo	Yes	12	12	10
Ward 24	Cllr MS Sefika	Yes	12	12	03
Ward 25	Cllr LM Phakoe	Yes	12	12	05
Ward 26	Cllr NE Lekoala	Yes	12	12	06
Ward 27	Cllr BC Matolo	Yes	12	12	09
Ward 28	Cllr CJ Bester	Yes	12	12	00
Ward 29	Cllr SM Steyn	Yes	12	12	00
Ward 30	Cllr WJJ Louwrens	Yes	12	12	00
Ward 31	Cllr GA Mohoemang	Yes	12	12	05
Ward 32	Cllr RA Matsepe	Yes	12	12	04
Ward 33	Cllr SL Sithole	Yes	12	12	06
Ward 34	Cll. AN Matross	Yes	12	12	05
Ward 35	Cllr. TI Thobedi	Yes	12	12	03

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## APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER)				
Capital Projects: Seven Largest in 2014/15 (Full List at Appendix O)				
				R' 000
Ward No.	Project Name and detail	Start Date	End Date	Total Value
1	Upgrading of water mains in Kanana – Wards 20 – 27 and 33 - 35	1 July 2013	7 May 2015	15 196
2	Alabama Bulk Water Supply Phase 3 - Wards 3, 5 and 8	1 July 2014	Construction	15 000
3	Upgrading of Sewer Outfall line in Jouberton Ext 7, 19 & 24 – Wards 3, 5, 7, 8 and 14	1 July 2013	12 June 2015	11 484
4	Open of one new solid waste cell on existing waste site in Klerksdorp Ward	1 July 2014	Construction	10 000
5	Pedestrian bridge over N12 - Jouberton and Alabama	1 July 2014	Construction	19 000
6	New Sport Complex in Jouberton	1 July 2013	Construction	9 588
7	Installation of Sewer Outfall line in Kanana Ext 14	1 July 2014	27 July 2015	4 389

BASIC SERVICE PROVISION				
Detail	Water	Sanitation	Electricity	Refuse
Households with minimum service delivery	165 578	163 612	164 436	163 612
Households without minimum service delivery	1 647	3 613	2 789	3 613
Total Households*	167 225	167 225	167 225	167 225

\*Including informal settlements

TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD (HIGHEST PRIORITY FIRST)		
No.	Priority Name and Detail	Progress During 2014/15
1	Upgrading of water mains in Kanana	Completed
2	Upgrading of Sewer outfall line in Jouberton Ext 7, 19 & 24 East	Completed
3	Opening of 1 new solid waste cell on existing site in Klerksdorp	Multi-Year Project
4	Pedestrian Bridge over N12 - Alabama and Jouberton	Multi-Year Project

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## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/15

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
Date of Committee	Committee recommendations during 2014/15	Recommendations adopted
21 November 2014	Preparation and submission of AG Action plan	Yes
	That AC member Ms L Mosoetsa be appointed as Chairperson of the Risk Committee	Yes
	Preparation and submission quarterly risk report	Yes
	Internal Audit - Ad-hoc audits not included in the approved audit plan, must be requested and approved by Audit committee	Yes
27 January 2015	Preparation and submission of report indicating the impact that non-payments on the 'no-go areas' has on the financial matters of municipality and also strategies to implement credit control measures in the "no-go" areas	Yes
	Review of the Service Level Agreement (SLA) between Council and the debt collection service provider with the intention to terminate and implement a month to month contract	Yes
	Preparation and submission of the report indicating assessment of debtors' age analysis as well as a recent report on disconnections	Yes
	Preparation of developing a realistic and simple Income Enhancement and Cost Containment strategic plan	Yes
	Preparation and submission of the report on control environment	Yes
	Preparation and submission of comprehensive and updated SCM report	Yes
	Preparation and submission of quarterly report on litigation as well as contingent liability	Yes
	Preparation and submission of comprehensive HR report including employment equity	Yes
	That a plan (operations and maintenance) be developed, indicating how to deal with risk reported in the OHS report if they materialises	Yes
	(SDBIP) That a risk management plan and a demand management plan be attached to infrastructure projects	Yes
	Assessment of Section 54A / 56 managers be performed	Assessment not performed due to instability of managers
	Finance department together with the Internal Audit unit work together in terms of providing monthly progress reports on addressing the AG's findings	Yes

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30 April 2015	Submission of statement of financial performance which include ratios	Yes
	Preparation and submission of financial recovery plan and revenue enhancement plan which include the strategy to improve municipal investments	Yes
	Preparation and submission of the updated register for the 14/15 financial year of fruitless, wasteful, irregular and unauthorised expenditure	Yes
	That panel of attorneys be appointed on a rotational basis for civil cases	Yes
	That risk management be included in the performance agreements of the section 54A/56 Managers	Yes
30 June 2015	That the public consultative process be conducted with different stakeholders on the draft financial recovery plan and revenue enhancement strategy	Consultative process was done with internally, still to be conducted with external stakeholders
	Preparation and submission at the next AC meeting a report indicating what Eskom and Midvaal are billing the municipality, what the municipality is billing the community and how much the municipality is collecting in a specific month	Yes
	Internal Audit to conduct ad-hoc audit on regulation 32 deviations and submit a report to AC	Yes
	Preparation and submission to AC members of the updated comprehensive report on IT environment within the next two weeks	Yes
	Preparation and submission of Strategic Risk Register	Yes

## APPENDIX H – LONG TERM CONTRACTS

LONG TERM CONTRACTS (19 LARGEST CONTRACTS ENTERED INTO DURING 2014/15)				
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project Manager
Morathi & Mataka Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
De Kocks Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Oosthuizen du Plooy Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Lourens Bezuidenhout Incorporated	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Kgomo Mokhetle & Tlou	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Mokonyane Incorporated Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Lebethe Attorneys Incorporated	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
VA Mazabane Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
R Masilo Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Waks & Silent Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr MG Mokansi
Godracias Trading Enterprises CC	Supply and delivery of paraffin lantern lamps	23/07/2012	23/07/2015	Mr B Lekgonyane
SO Matshidiso Construction	Supply and storage of illuminating paraffin	20/11/2012	20/11/2015	Mr B Lekgonyane
Babatsho Construction and Projects 65 CC/Tigane Developers & Property	Supply and delivery of primus stoves	23/07/2012	23/07/2015	Mr B Lekgonyane
Impilonhle and Kezla Consortiums JV	Supply and delivery of NQF L2 & L4 Learnership Services	15/05/2013	31/05/2015	Mr S Masibi
Face Technologies (PTY) LTD	Rental cameras voetstoots, for 24 months	19/11/2013	19/11/2015	Mr A Marias
DDP Valuers	Valuation Roll	12/02/2013	12/02/2016	Mrs J Brown
Dreamfinder Trading and Projects	Supply, installation and monthly maintenance and rental of hygiene equipment	01/03/2014	31/03/2017	Mrs JE Jansen van Rensburg
Ducharme Consulting (Pty) Ltd	The service provider will prepare the 2013/14 GRAP FAR for COM using our GRAP FAR templates and IMQS Asset	14/07/2013	30/12/2014	CFO
Tshereletso Services	Provide security on services	01/11/2013	31/11/2016	Mr RW Ntozini

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## APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE

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## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS PERIOD 1 JULY TO 30 JUNE OF 2015		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>Executive Mayor</b>	Cllr M K Khauoe	Sasol Limited 15%, Inzalo Public Limited 55%, MK Khauoe 100%.
<b>Speaker of Council</b>	Cllr L M Kortjas	Submitted flats, accommodation and Director Midvaal Water Company.
<b>Single Whip of Council</b>	Cllr G S Nkebe	Morogo People's Development Project 33% Dishashe
<b>Member of MayCo / Exco</b>		
Corporate Services	Cllr T I Thobedi	N/A
Transversal Issues	Cllr M E Kgaile	N/A
Housing, Land and Rural Development	Cllr L M Mothibedi	N/A
Sport, Arts & Culture	Cllr M E Mtimkulu	N/A
Finance & Debt Normalization	Cllr M M S Lee	Matseliso Titans
Economic Growth & Market	Cllr G R Kgosi	N/A
Public Safety	Cllr G C Mbobo	N/A
Community & Health Services	Cllr P R Poee	Kebontse
Infrastructure & utilities	Cllr R A Matsepe	Alternate Director Midvaal Water Company.
Electrical & Mechanical Engineering	Cllr N S Mendela	Dan Pro& Manoli
<b>Chairperson of the MPAC</b>	Cllr L T Mabunda	Nkotazo Trading Enerprise 100%, KER-LAN Trading & Projects ( wife's) member of the MCPF
<b>Councillors</b>		
	Cllr M D Mogorosi	N/A
	Cllr T B Mpukwane	N/A
	Cllr A Combrinck	Manager Anumelmig Vullis Verwyding T/A Landrom Skips
	Cllr K E Kgang	N/A
	Cllr S L Sithole	Member of the MCPF, Foster Care Grants.
	Cllr. T L Sekgothe	N/A
	Cllr. M P Hlaka	Owens a tuck shop, member of the MCPF
	Cllr. E G Hart	Hart Properties cc 50%. Ted Hart Attorney 100%.
	Cllr. I G Hendricks	N/A
	Cllr. M M Booyesen	N/A
	Cllr P J Swart	N/A
	Cllr N M Maseko	Tsogang Bomme 24%
	Cllr M M Bontsi	Lusa Construction 33, 3%, GLMM Engineering & Logistics
	Cllr M S Sishuba	Masetshi trading 10%, Arefadimeheng Basadi 20%, both dormant.

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	Cllr M D Mere	Mere Bricks & Hardware cc 100% Siyanqoba Engineering Party Limited 50% Guatrotec Engineering
	Cllr M C Dithejane	N/A
	Cllr S D Montoedi	Retirement Annuity, Montoedi Panel Beaters 100% Kgothang Mmoho Agricultural Co-op
	Cllr M M Chao	N/A
	Cllr S M Steyn	N/A
	Cllr E P J Nel	J C Nel Family Trust, Alternate Director Midvaal Water Company Part time Worker at J C Nel QS R5700.00p/m Dennegeur Family Trust Pretoria.
	Cllr O M Mogale	OANDM Managers 100% News Armed Response 100% Face Lift Properties N/AGrinaker 100%. WPRND 33%
	Cllr A L Lobese	N/A
	Cllr L Robinson	Employed: SENWES R157000 p/a
	Cllr J J Le Grange	Le Grange / Mitchell Properties 40% JJ Le Grange Financial Consultants.
	Cllr N E George	B4 Sunrise Agric Co-op 33.3% Family General Dealer 100% Taxi Industr, Farmer and have Live Stock Farm Council Lease Member of the SALAMPF
	Cllr J M Sebata	NWDC Interim Board Member, dept. Education R96000.00 p.a.
	Cllr M A Thelejane	N/A
	Cllr G J Mohale	Sasol Inzalo 10% Hamba Kahle Guest House and Pub 100% Telkom shares
	Cllr M Coetzee	Phillip Coetzee Family Trust 52 Vermaas
	Cllr G N Malete	Yebo Yethu
	Cllr C J Bester	Your Homes Property Realtors cc 50% Tanni Management & Facilitators cc 50% C J Construction
	Cllr K L Dire	N/A
	Cllr H F Saudi	N/A
	Cllr S L Nakedi	N/A
	Cllr M F Nthaba	N/A
	Cllr L A Lenepa	N/A
	Cllr E M Postma	24 Heide Street Farm Drogekraal Properties.
	Cllr S T Mpshapudi	N/A
	Cllr B M Plaatjie	Gaetshware
	Cllr B C Matolo	N/A
	Cllr PT Horn	Sentinel Retirement Fund House @ Hermanus
	Cllr M S Sefika	N/A
	Cll. F I Tagaree	Speed of light
	Cllr A N Matross	Vision Expects Trading Enterprise PTY LTD 50%.
	Cllr L L Cutswa	N/A
	Cllr S L Moremi	N/A
	Cllr G A Mohoemang	N/A

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	Cllr K L Ross	N/A
	Cllr L M Phakoe	LAZPHAK Trading
	Cllr L L Appels	Dept Education R276.000 p.a.
	Cllr WJJ Louwrens	N/A
	Cllr I M Groenewald	Alternate Director Midvaal Water Company
	Cllr M I Mangesi	Tlhamalalang Trading Enterprise cc 80%
	Cllr G A Ramphele	Nkagisang Trust Farming & mining. Gobuamang B Enterprise 50%, One Turn Trading 50 %, Ngwao art Co-op, Ya Rona Coop,
	Cllr N E Lekoala	N/A
	Vacant	
Municipal Manager	Mr ET Motsemme	Ogodisen Consulting - No Income, Botho Diamond Mining – No. Income, Bakomoso Utilities Training - No Income; Ross Precious. Management Training - No Income
Chief Financial Officer	Mr CHR Boshoff (Acting)	UMS (Cape) Pty Ltd Consulting DLGHS North-West Consulting House Potchefstroom R2 000 000
<b>Other S56 Officials</b>		
Director: Macro City Planning and Development	Mr SG Mabuda	House Adamayview - R1 200 000 House Doringkruin - R850 000
Director: Strategic Planning, Monitoring and Control	Ms LM Ramorola	Town House Klerksdorp – R1 600 000
Director: Civil Services and Human Settlements	Vacant	
Director: Electrical and Mechanical Engineering	Vacant	
Director: Municipal and Environmental Services	Vacant	
Director: Corporate Services	Vacant	

# Appendices

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	R' 000					
	2013/14	2014/15		2014/15 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
Corporate Governance & Administration	622 230	324 401	344 229	601 591 000	46%	43%
Infrastructure	1 095 030	1 445 146	1 564 488	1 238 126 000	-17%	-26%
Economic Affairs	932	19 595	16 361	24 071 000	19%	32%
Community & Environmental Service	105 595	225 964	309 038	379 747 000	40%	19%
<b>TOTAL REVENUE BY VOTE</b>	<b>1 823 787</b>	<b>2 015 105</b>	<b>2 234 117</b>	<b>2 243 535</b>	<b>10%</b>	<b>-2194250339499%</b>

### APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

REVENUE COLLECTION PERFORMANCE BY SOURCE						
Description	R '000					
	2013/14	2014/15		2014/15 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
Property rates	190 357	230 478	217 644	247 297	7%	12%
Property rates - penalties & collection charges						
Service Charges - electricity revenue	576 582	584 282	536 932	594 194	2%	10%
Service Charges - water revenue	283 923	388 195	434 929	309 364	-25%	-41%
Service Charges - sanitation revenue	60 810	46 508	103 162	68 005	32%	-52%
Service Charges - refuse revenue	67 588	70 563	152 764	89 596	21%	-71%
Service Charges - other		158 477	119 203	14 928	-962%	-698%
Rentals of facilities and equipment	4 909	6 425	5 273	5 233	-23%	-1%
Interest earned - external investments	57 068	5 348	2 500	2 799	-91%	11%
Interest earned - outstanding debtors		38 650	76 322	88 403	56%	14%
Dividends received		–	–		0%	0%
Fines	26 333	7 500	2 150	5 387	-39%	60%
Licences and permits	7 013	7 000	5 757	6 773	-3%	15%
Agency services		14 378	6 928		0%	0%
Transfers recognised - operational	355 935	347 183	348 750	342 684	-1%	-2%
Other revenue	70 554	109 696	105 209	129 885	16%	19%
Gains on disposal of PPE	–	422	1 000	–	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 701 073</b>	<b>2 015 105</b>	<b>2 118 521</b>	<b>1 904 548</b>	<b>-5.80%</b>	<b>-11.23%</b>

# Appendices

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2014/15						R' 000
Details	Budget	Adjusted	Actual	Variance		Major conditions applied by donor (continue below if necessary)
					Adjustments	
Neighbourhood Development Partnership Grant	21 625	19 000	13 312	21 625	19 000	
<i>Other Specify:</i>						
INEP	1 100	1 100	686	1 100	1 100	
<b>TOTAL</b>	<b>22 725</b>	<b>20 100</b>	<b>13 998</b>	<b>22 725</b>	<b>20 100</b>	

### COMMENTS ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

The municipality received only one grant from other sources namely an infrastructure grant from the Dr Kenneth Kaunda District Municipality.

# Appendices

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME*							
Description	2013/14	2014/15			Planned Capital Expenditure		
	Actual	Original	Adjusted	Actual Expenditure	2015/16	2016/17	2017/18
<b><u>Capital expenditure by Asset Class</u></b>							
<b><u>Infrastructure - Total</u></b>	<b>115 704</b>	<b>105 268</b>	<b>133 971</b>	<b>101</b>	<b>125 495</b>	<b>116 929</b>	<b>118 599</b>
<b><u>Infrastructure: Road transport - Total</u></b>	<b>57 090</b>	<b>44 972</b>	<b>68 554</b>	<b>45 468</b>	<b>44 450</b>	<b>44 548</b>	<b>44 865</b>
Roads, Pavements & Bridges	57 090	44 972	68 554	45 468	44 450	44 548	44 865
Storm-water	0						
<b><u>Infrastructure: Electricity - Total</u></b>	<b>12 057</b>	<b>6 661</b>	<b>5 593</b>	<b>1 336</b>	<b>10 000</b>	<b>27 000</b>	<b>26 000</b>
Generation							
Transmission & Reticulation	12 057	6 661	5 593	1 336	10 000	27 000	26 000
Street Lighting						0	0
<b><u>Infrastructure: Water - Total</u></b>	<b>28 540</b>	<b>30 197</b>	<b>34 226</b>	<b>23 019</b>	<b>43 050</b>	<b>23 000</b>	<b>23 000</b>
Dams & Reservoirs							
Water purification	28 540	30 197	34 226	23 019	43 050	23 000	23 000
Reticulation						0	0
<b><u>Infrastructure: Sanitation - Total</u></b>	<b>18 017</b>	<b>23 438</b>	<b>25 598</b>	<b>15 472</b>	<b>27 995</b>	<b>22 381</b>	<b>24 735</b>
Reticulation							
Sewerage purification	18 017	23 438	25 598	15 472	27 995	22 381	24 735
<b><u>Community - Total</u></b>	<b>12 910</b>	<b>9 588</b>	<b>15 807</b>	<b>15 832</b>	<b>13 430</b>	<b>20 599</b>	<b>24 813</b>
Sport fields & stadia	12 906	9 588	15 801	8 912	3 430	10 599	14 813
Other	4		6	6 920	10 000	10 000	10 000
<b><u>Other assets</u></b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - hardware/equipment			1	-			
<b>Total Capital Expenditure on new assets</b>	<b>128 614</b>	<b>114 856</b>	<b>149 780</b>	<b>101 127</b>	<b>138 926</b>	<b>137 528</b>	<b>143 413</b>

# Appendices

## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME*							
Description	2013/14	2014/15			Planned Capital expenditure		
	Actual	Original	Adjusted	Actual Exp	2014/15	2015/16	2016/17
<b>Capital expenditure by Asset Class</b>							
<b><u>Infrastructure - Total</u></b>	-	-		-	-		
Infrastructure: Electricity - Total	-	-		-	-		
Infrastructure: Water - Total	-	-		-	-		
Infrastructure: Sanitation - Total	-	-		-	-		
<b><u>Community</u></b>	-	-		-	-		
<b><u>Capital expenditure by Asset Class</u></b>							
<b><u>Other assets</u></b>	-	-		-	-		
<b>TOTAL CAPITAL EXPENDITURE ON RENEWAL OF EXISTING ASSETS</b>	-	-		-	-		

# Appendices

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2014/15

CAPITAL PROGRAMME BY PROJECT: 2014/15					
Capital Project	Original	Adjustment	Actual	Variance	Variance
				(Act - Adj) %	(Act - OB) %
Water	31 000	24 577	23 019	-7%	-35%
Sanitation / Sewerage	38 500	21 273	15 472	-37%	-149%
Electricity	4 500	16 500	1 336	-1135%	-237%
Storm-water	33 335	102 667	45 468	-126%	27%
Economic development	100	319	0	0%	0%
Sport, Arts & Culture	15 000	21 046	8 912	-136%	-68%
ICT and Other	7 210	6 396	6 922	8%	-4%

# Appendices

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2014/15

CAPITAL PROGRAMME BY PROJECT BY WARD: 2014/15			R'000
Capital Projects	Ward(s) affected	Works completed (Yes/No)	
<b>Water</b>			
Upgrading of water mains in Kanana	20 to 27 & 33 to 35	Yes	
Alabama Bulk Water Supply Phase 3	3 to 5 and 8	No	
<b>Sanitation / Sewer</b>			
Upgrading of Sewer Outfall line in Jouberton Ext 7, 19 & 24	3, 5, 7, 8 & 14	Yes	
Installation of Sewer Outfall line in Kanana Ext 14	22 and 23	Yes	
Tigane Ext 5 - Connection for sub divided (Erven 179)	2	Yes	
Upgrading sewer network Khuma Proper (North East)	34 and 35	Yes	
Upgrading of Sewer Outfall line in Alabama/Jouberton East Ext 19	3 to 5	Yes	
<b>Electricity</b>			
Electrification Jacaranda CPA	15	Yes	
Electrification Brakspruit Phase 2	18	97%	
High mast lights Kanana Phase 6	20, 21, 22, 23, 24, 25, 26, 27	Yes	
High mast lights Khuma Phase 4	32, 33, 34, 35	No	
High mast lights Jouberton Phase 1	4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,	No	
<b>Roads and Storm-water Drainage</b>			
Kanana paving of taxi routes (Phase 7)	20 and 23 to 27	Yes	
Alabama paving of taxi routes (Phase 6)	4	Yes	
Tigane Paving of taxi routes (Phase 7)	1 and 2	Yes	

# Appendices

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

ALL SCHOOLS ARE BEING COVERED BY PUBLIC WORKS

# Appendices

## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

NOT APPLICABLE

# Appendices

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

NOT APPLICABLE

## *List of Acronyms*



# Appendices

## LIST OF ACRONYMS

AC	:	Audit Committee
AG	:	Auditor-General
CBD	:	Central Business District
CBP	:	Community Based Plan
CC	:	Council Committee resolution
CPA	:	Community Property Association
CRU	:	Community Residential Unit
DoRA	:	Division of Revenue Act
DRM	:	District Risk Management
DWA	:	Department of Water Affairs
EECF	:	Employment Equity Consultative Forum
EPWP	:	Extended Public Works Programme
GIS	:	Geographical Information System
IDP	:	Integrated Development Plan
INEP	:	Integrated National Electrification Program
LLF	:	Local Labour Forum
KOSH	:	Klerksdorp, Orkney, Stilfontein and Hartbeesfontein
KPA	:	Key Performance Areas
KPI	:	Key Performance Indicators
LED	:	Local Economic Development
LGSETA	:	Local Government: Sector Education and Training Authority
MCPF	:	Municipal Councillors Pension Fund
MDG	:	Millennium Development Goals
MIG	:	Municipal Infrastructure Grant
MFMA	:	Municipal Financial Management Act
MSA	:	Municipal Systems Act, as Amended
OHS	:	Occupational Health and Safety
PAC	:	Performance Audit Committee
PGDS	:	Provincial Government Development Sector
PMS	:	Performance Management System
POE	:	Portfolio of Evidence
ROI	:	Return on Investment
RTMC	:	Road Traffic Management Committee
SALGA	:	South African Local Government Association
SCM	:	Supply Chain Management
SDBIP	:	Service Delivery and Budget Implementation Plan
SETA	:	Sector Education and Training Authority
SMME	:	Small, Medium and Micro Enterprises
WSP	:	Workplace Skills Plan
WWTP	:	Waste Water Treatment Plant

# ***Volume 2***

# ***Annual Financial***

# ***Statements***





**City of  
Matlosana**  
City of Matlosana

Annual Financial Statements  
for the year ended 30 June 2015

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## General Information

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### Nature of business and principal activities

To within its financial and administrative capacity :

- provide democratic and accountable government for the community of Matlosana;
- to ensure the provision of services to the community in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and

To encourage the involvement of the community and community organisations in the matters of the municipality.

Legislation governing the operations of the municipality includes but are not limited to the following:

- The Constitution of the Republic of South Africa, 1996 and specifically Chapter 7
- Local Government: Municipal Structures Act 117 of 1998
- Local Government: Municipal Systems Act 32 of 2000
- Local Government: Municipal Finance Management Act 56 of 2003

### Mayoral committee

Executive Mayor

MK Khauoe

Councillors

MMS Lee  
GR Kgosi  
ME Mthimkulu  
TI Thobedi  
GC Mbobo  
ML Mothibedi  
ME Kgaile  
RA Matsepe  
NS Mandela  
PR Poee

Acting Accounting Officer

S.G. Mabuda

Acting Chief Finance Officer (CFO)

C.H.R. Boshoff

Registered office

Bram Fischer Street  
Klerksdorp  
2571

Business address

Bram Fischer Street  
Klerksdorp  
2571

Postal address

P.O. Box 99  
Klerksdorp  
2570

Bankers

ABSA Bank Ltd

Auditors

Auditor General

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Index

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature :

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Cash Flow Statement	309
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### Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MMC	Member of the Mayoral Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

### Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements is still subject to audit.

The annual financial statements set out on pages 306 to 358, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2015 and were signed on its behalf by:



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**Accounting Officer**  
**S.G. Mabuda**

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	2015	2014
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	8	73 604 140	79 180 798
Receivables from exchange transactions	9	37 407 635	27 926 164
VAT receivable	10	40 282 718	15 775 108
Consumer debtors	11	86 012 641	75 798 945
Other receivables	7	4 601 180	4 600 249
Cash and cash equivalents	12	32 901 254	49 657 662
		<b>274 809 568</b>	<b>252 938 926</b>
<b>Non-Current Assets</b>			
Investment property	2	45 755 556	46 210 660
Property, plant and equipment	3	5 983 421 701	6 358 939 966
Intangible assets	4	763 104	763 104
Heritage assets	5	5 995 054	5 995 054
Other financial assets	6	25 796 965	24 016 041
Other receivables	7	162 548	186 599
Nature reserve - Wild stock		1 959 566	2 027 613
		<b>6 063 854 494</b>	<b>6 438 139 037</b>
<b>Total Assets</b>		<b>6 338 664 062</b>	<b>6 691 077 963</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	13	13 109 542	14 706 478
Payables from exchange transactions	16	536 198 322	503 497 110
Unspent conditional grants and receipts	14	34 989 995	55 521 712
Provisions	15	12 445 579	13 533 648
Consumer deposits	17	22 947 417	16 678 404
National Treasury Liability		-	40 100 000
		<b>619 690 855</b>	<b>644 037 352</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	13	115 829 754	128 939 305
Provisions	15	267 491 759	243 462 265
		<b>383 321 513</b>	<b>372 401 570</b>
<b>Total Liabilities</b>		<b>1 003 012 368</b>	<b>1 016 438 922</b>
<b>Net Assets</b>		<b>5 335 651 694</b>	<b>5 674 639 041</b>
<b>Net Assets</b>			
Accumulated surplus		5 335 651 694	5 674 639 041

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014
<b>Revenue</b>			
Service charges	20	1 061 158 920	988 903 850
Rendering of services		38	4 154
Rental of facilities and equipment		5 232 869	4 905 070
Licences and permits		6 773 240	7 012 811
Miscellaneous other revenue		137 440	211 098
Commissions received		9 885 896	10 337 606
Royalties received		1 976 233	2 123 176
Rental income		237 722	138 187
Discount received		569 692	880 337
Recoveries		2 013 743	40 645 863
Other income		16 758 313	16 424 239
Donation of community hall		5 000 000	-
Interest received - investment		91 202 405	57 067 892
Property rates	19	247 297 084	190 356 830
Government grants & subsidies	21	434 482 074	438 551 726
Levies		1 507 176	1 397 186
Fines		5 386 779	9 305 861
Market dues		14 928 306	15 418 449
<b>Total revenue</b>		<b>1 904 547 930</b>	<b>1 783 684 335</b>
<b>Expenditure</b>			
Employee related costs	24	(478 440 938)	(458 412 261)
Remuneration of councillors	25	(20 458 257)	(20 850 463)
Depreciation and amortisation	28	(439 621 839)	(439 756 557)
Finance costs	29	(43 778 999)	(34 448 853)
Lease rentals on operating lease		(8 941 272)	(8 424 508)
Debt impairment	26	(298 583 413)	(199 453 276)
Repairs and maintenance		(56 472 941)	(41 003 536)
Bulk purchases	32	(657 629 307)	(646 684 366)
Contracted services	31	(28 704 583)	(98 654 755)
General expenses	23	(210 903 728)	(192 148 270)
<b>Total expenditure</b>		<b>(2 243 535 277)</b>	<b>(2 139 836 845)</b>
<b>Operating deficit</b>		<b>(338 987 347)</b>	<b>(356 152 510)</b>
<b>Deficit for the year</b>		<b>(338 987 347)</b>	<b>(356 152 510)</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Statement of Changes in Net Assets

Figures in Rand	Housing Development Fund	Accumulated surplus	Total net assets
Opening balance as previously reported	5 125 928	5 852 844 874	5 857 970 802
Adjustments			
Correction of errors	(5 125 928)	177 946 677	172 820 749
<b>Balance at 01 July 2013 as restated*</b>	<b>-</b>	<b>6 030 791 551</b>	<b>6 030 791 551</b>
Changes in net assets	-	(356 152 510)	(356 152 510)
Restated deficit for the year (refer to note 37)	-	(356 152 510)	(356 152 510)
Total changes	-	(356 152 510)	(356 152 510)
<b>Balance at 01 July 2014</b>	<b>-</b>	<b>5 674 639 041</b>	<b>5 674 639 041</b>
Changes in net assets	-	(338 987 347)	(338 987 347)
Deficit for the year	-	(338 987 347)	(338 987 347)
Total changes	-	(338 987 347)	(338 987 347)
<b>Balance at 30 June 2015</b>	<b>-</b>	<b>5 335 651 694</b>	<b>5 335 651 694</b>
Note(s)			

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Cash Flow Statement

Figures in Rand	Note(s)	2015	2014
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		974 674 124	960 340 309
Grants		413 950 357	435 382 767
Interest income		91 202 405	57 067 891
VAT received		477 161	33 066 893
Other receipts		55 128 491	64 423 792
		<b>1 535 432 538</b>	<b>1 550 281 652</b>
<b>Payments</b>			
Employee costs		(479 301 119)	(462 224 849)
Suppliers		(887 767 506)	(886 051 465)
Finance costs		(43 778 999)	(34 448 853)
		<b>(1 410 847 624)</b>	<b>(1 382 725 167)</b>
<b>Net cash flows from operating activities</b>	33	<b>124 584 914</b>	<b>167 556 485</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(96 128 268)	(132 756 621)
Proceeds from sale of property, plant and equipment	3	5 105 345	1 894 980
Proceeds from sale of Investment property		-	2 313 501
Net movement of financial assets		(1 780 924)	(7 638 592)
Proceeds from sale of other receivables		-	22 214
<b>Net cash flows from investing activities</b>		<b>(92 803 847)</b>	<b>(136 164 518)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(14 706 487)	(17 003 821)
Movement in consumer deposits		6 269 012	(23 026 610)
Repayment of liability to National Treasury		(40 100 000)	-
<b>Net cash flows from financing activities</b>		<b>(48 537 475)</b>	<b>(40 030 431)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(16 756 408)</b>	<b>(8 638 464)</b>
Cash and cash equivalents at the beginning of the year		49 657 662	58 296 126
<b>Cash and cash equivalents at the end of the year</b>	12	<b>32 901 254</b>	<b>49 657 662</b>

## City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amountson comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Performance Revenue

#### Revenue from exchange transactions

Service charges	1 128 872 395	(43 113 724)	1 085 758 671	1 061 158 920	(26 116 661)	The number of indigent accounts was higher than originally budgeted for.
Rendering of services	20		20	38	18	
Rental of facilities and equipment	5 766 341	(720 511)	5 045 830	5 232 869	187 039	
Licences and permits	6 986 449	7 809 414	14 795 863	6 773 240	(8 022 623)	
Miscellaneous other revenue	2 420 961	(244 041)	2 176 920	137 440	(2 039 480)	
Commissions received	14 378 359	(7 450 639)	6 927 720	9 885 896	2 958 176	
Royalties received	1 722 833	454 287	2 177 120	1 976 233	(200 887)	
Rental income	609 861	(383 061)	226 800	237 722	10 922	
Discount received	584 700	(86 720)	497 980	569 692	71 712	
Recoveries	42 240	(37 520)	4 720	2 013 743	2 009 023	
Other income	53 936 185	(28 514 905)	25 421 280	16 758 313	(6 863 637)	
Donations Received				5 000 000	5 000 000	
Interest received - investment	43 998 000	34 823 890	78 821 890	91 202 405	12 380 515	There was better cash management of the call accounts and more investments were made during the year.
<b>Total revenue from exchange transactions</b>	<b>1 259 318 344</b>	<b>(37 463 590)</b>	<b>1 221 854 754</b>	<b>1 200 946 511</b>	<b>(20 625 883)</b>	

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## Revenue from non-exchange transactions

### Taxation revenue

Property rates	281 145 162	(63 500 632)	<b>217 644 530</b>	247 297 084	<b>29 652 554</b>	The supplementary valuation was approved after the budget approval.
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### Transfer revenue

Government grants & subsidies	347 182 990	1 566 560	<b>464 345 550</b>	434 482 074	<b>(29 963 469)</b>	Grants were withheld by National Treasury due to unapproved rollovers.
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Levies	1 700 000	(183 550)	<b>1 516 450</b>	1 507 176	<b>(9 274)</b>
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Fines	7 437 200	(5 307 200)	<b>2 130 000</b>	5 386 779	<b>3 256 779</b>
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Market Dues	17 000 000	(2 997 330)	<b>14 002 670</b>	14 928 306	<b>925 636</b>
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<b>Total revenue from non-exchange transactions</b>	<b>654 465 352</b>	<b>(70 422 152)</b>	<b>699 639 200</b>	<b>703 601 419</b>	<b>3 862 226</b>
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<b>Total revenue</b>	<b>1 913 783 696</b>	<b>(107 885 742)</b>	<b>1 921 493 954</b>	<b>1 904 547 930</b>	<b>(16 763 657)</b>
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### Expenditure

Personnel	(471 741 563)	(4 940 712)	<b>(476 682 275)</b>	(478 440 938)	<b>7 263 782</b>
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Remuneration of councillors	(21 314 479)	913 269	<b>(20 401 210)</b>	(20 458 257)	<b>87 563</b>
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Depreciation and amortisation	(439 206 526)	(19 283 173)	<b>(458 489 699)</b>	(439 621 839)	<b>18 867 860</b>
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Finance costs	(12 458 529)	(468 451)	<b>(12 926 980)</b>	(43 778 999)	<b>(30 852 019)</b>	Overdue bulk purchases accounts attracting interest
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Lease rentals on operating lease	(8 552 446)	(1 073 104)	<b>(9 625 550)</b>	(8 941 272)	<b>(2 916 398)</b>
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Bad debts written off	(123 779 000)	(178 231 100)	<b>(302 010 100)</b>	(298 583 413)	<b>2 526 687</b>
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Repairs and maintenance	(56 402 154)	(16 753 217)	<b>(73 155 371)</b>	(56 472 941)	<b>3 146 862</b>
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Bulk purchases	(605 600 130)	(47 660 023)	<b>(653 260 153)</b>	(657 629 307)	<b>7 168 073</b>
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Contracted Services	(79 726 173)	39 837 103	<b>(39 889 070)</b>	(28 704 583)	<b>3 678 757</b>
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General Expenses	(183 478 156)	(39 360 146)	<b>(222 838 302)</b>	(210 903 728)	<b>18 122 852</b>	There was no budget for the loss incurred on disposal of material assets.
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<b>Total expenditure</b>	<b>(2 002 259 156)</b>	<b>(267 019 554)</b>	<b>(2 269 278 710)</b>	<b>(2 242 841 427)</b>	<b>27 094 019</b>
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<b>Deficit before taxation</b>	<b>(88 475 460)</b>	<b>(374 905 296)</b>	<b>(347 784 756)</b>	<b>(338 987 347)</b>	<b>10 330 362</b>
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## Capital Expenditure & Funds Sources

### Capital Expenditure

Transfers Recognised - Capital	114 856 000	740 000	<b>115 596 000</b>	92 822 525	<b>22 773 475</b>
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Public Contributions & Donations				5 000 000	<b>(5 000 000)</b>
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Internally Generated Funds		41 510 000	<b>41 510 000</b>	3 305 743	<b>38 204 257</b>
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<b>Total Sources Of Capital Funds</b>	<b>114 856 000</b>	<b>42 250 000</b>	<b>157 106 000</b>	<b>101 128 268</b>	<b>55 977 732</b>	There were insufficient funds for capital expenditure due treasury withholding money earmarked for infrastructure projects.
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# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. When any significant judgements and sources of estimation uncertainty are applicable, they have been disclosed in the relevant policy.

#### 1.4 Nature Reserve - Wild Stock

The entity recognises nature reserve - wild stock when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Nature Reserve - Wild Stock are measured at their fair value less costs to sell.

The fair value of the wild stock is determined based on auction prices.

A gain or loss arising on initial recognition of nature reserve - wild stock at fair value less costs to sell and from a change in fair value less costs to sell of a nature reserve - wild stock is included in surplus or deficit for the period in which it arises.

## Accounting Policies

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### 1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	Indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

## Accounting Policies

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### 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	7 - 30 years
Furniture and fixtures	7 - 10 years
Infrastructure	
• Roads and paving	10 to 30 years
• Electricity	20 to 30 years
• Wastewater network	15 to 20 years
Other vehicles	3 to 20 years
Other equipment	5 to 10 years
Specialised plant and machinery	5 to 15 years
Other property, plant and equipment	3 to 15 years

## Accounting Policies

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### 1.6 Property, plant and equipment (continued)

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

## Accounting Policies

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### 1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

### 1.8 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.8 Heritage assets (continued)

Heritage assets are shown at cost and are not depreciated owing to uncertainty regarding to their estimated useful lives.

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

#### Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

## Accounting Policies

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### 1.8 Heritage assets (continued)

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

### 1.9 Financial instruments

#### Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated.
- Held-to-maturity investment.
- Loans and receivables.
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

#### Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

#### Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit exclude dividends and interest.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

## Accounting Policies

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### 1.9 Financial instruments (continued)

#### Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

#### Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

## Accounting Policies

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### 1.9 Financial instruments (continued)

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

#### Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- a gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- for financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

#### Derecognition

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

### 1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessee

## Accounting Policies

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### 1.10 Leases (continued)

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. The lease assets are depreciated at appropriate rates as per the relevant policy.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in restated deficit as per statement of changes in net assets.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the expense to the municipality.

### 1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## Accounting Policies

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### 1.12 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Other post retirement obligations

The entity provides post-retirement health care benefit to retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

### 1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

## Accounting Policies

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### 1.13 Provisions and contingencies (continued)

Leave and bonus accruals :

- liabilities for annual leave and bonus are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end for the leave accrual and the bonus accrual based on the initial inception of the service month.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is:

- (a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- (b) a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

## Accounting Policies

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### 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

## Accounting Policies

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### 1.15 Revenue from exchange transactions (continued)

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.16 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

#### Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

#### Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

## Accounting Policies

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### 1.16 Revenue from non-exchange transactions (continued)

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

#### Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed program may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

#### Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

### 1.17 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

### 1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.21 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred otherwise than in accordance with section 15 or 11(3) of the MFMA and includes :

- overspending of the total amount appropriated in the approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;

## Accounting Policies

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### 1.21 Unauthorised expenditure (continued)

- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the act.

### 1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the restated deficit as per statement of changes in net assets in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the restated deficit as per statement of changes in net assets.

### 1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Restated deficit as per Statement of changes in Net Assets and where recovered, it is subsequently accounted for as revenue in the Restated deficit as per Statement of changes in Net Assets.

### 1.24 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

### 1.25 Gratuities

The municipality provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the restated deficit as per statement of changes in net assets when the gratuity is paid.

### 1.26 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the restated deficit as per statement of changes in net assets.

### Investments in derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in accumulated surpluses/(deficits). Amounts deferred in net assets are recognised in the restated deficit as per statement of changes in net assets in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/(deficit).

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the restated deficit as per statement of changes in net assets as they arise.

### 1.27 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.28 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

### 1.29 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.31 Retirement benefits

Councillors and employees as well as Council contribute to the following pension and provident funds, which provide retirement benefits to such Councillors and employees:

- Municipal Employees Gratuity Fund.
- Pension Fund for Municipal Councillors.
- National Fund for Municipal Workers.
- SALA Pension Fund.
- SAMWU Provident Fund.
- Municipal Employees Pension Fund.

Council does not operate or are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

### 1.32 Going concern

These annual financial statements have been prepared on a going concern basis.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Accounting Policies

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### 1.33 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified.

### 1.34 New Standards and Interpretations

Application of all of the GRAP standards listed below will be effective from a date to be announced by the Minister of Finance.

Management has considered all the of the listed GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 18 Segment Reporting.
- GRAP 20 Related Party Disclosures.
- GRAP 25 Employee Benefits.
- GRAP 105 Transfers between entities under common control.
- GRAP 106 Transfers between entities not under common control.
- GRAP 107 Mergers.
- Improvements to Standards of GRAP.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 2. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	45 755 556	-	45 755 556	46 210 660	-	46 210 660

#### Reconciliation of investment property - 2015

	Opening balance	Transfers	Total
Investment property	46 210 660	(455 104)	45 755 556

#### Reconciliation of investment property - 2014

	Opening balance	Transfers	Total
Investment property	48 524 161	(2 313 501)	46 210 660

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Restrictions on the reliability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality have to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the fair value measurement, disclose the following:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and
- on disposal of investment property not carried at fair value:
  - the fact that the entity has disposed of investment property not carried at fair value,
  - the carrying amount of that investment property at the time of sale, and
  - the amount of gain or loss recognised.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	532 166 403	(115 806 326)	416 360 077	534 263 782	(92 634 885)	441 628 897
Infrastructure	10 293 946 409	(5 435 105 803)	4 858 840 606	10 330 542 874	(5 177 832 578)	5 152 710 296
Community	947 374 174	(302 814 948)	644 559 226	942 025 105	(255 353 772)	686 671 333
Other property, plant and equipment	246 376 425	(182 714 633)	63 661 792	157 049 460	(79 120 020)	77 929 440
<b>Total</b>	<b>12 019 863 411</b>	<b>(6 036 441 710)</b>	<b>5 983 421 701</b>	<b>11 963 881 221</b>	<b>(5 604 941 255)</b>	<b>6 358 939 966</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Total
Buildings	441 628 897	29 160	-	(2 126 539)	-	-	(23 171 440)	416 360 078
Infrastructure	5 152 710 297	85 306 176	(32 097 413)	-	-	(867 217)	(346 211 237)	4 858 840 606
Community	686 671 333	14 271 955	-	-	-	-	(56 384 062)	644 559 226
Other property, plant and equipment	77 929 440	1 520 977	(1 933 524)	-	-	-	(13 855 101)	63 661 792
	<b>6 358 939 967</b>	<b>101 128 268</b>	<b>(34 030 937)</b>	<b>(2 126 539)</b>	<b>-</b>	<b>(867 217)</b>	<b>(439 621 840)</b>	<b>5 983 421 702</b>

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Buildings	468 503 403	-	-	(1 895 016)	-	-	(23 448 467)	(1 531 023)	441 628 897
Infrastructure	5 381 673 973	115 227 614	(614 727)	-	-	-	(343 576 563)	-	5 152 710 297
Community	728 698 672	13 983 443	-	-	-	-	(56 010 782)	-	686 671 333
Other property, plant and equipment	89 710 237	3 545 564	(136 636)	-	-	-	(15 108 599)	(81 126)	77 929 440
	<b>6 668 586 285</b>	<b>132 756 621</b>	<b>(751 363)</b>	<b>(1 895 016)</b>	<b>-</b>	<b>-</b>	<b>(438 144 411)</b>	<b>(1 612 149)</b>	<b>6 358 939 967</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 3. Property, plant and equipment (continued)

#### Reconciliation of Work-in-Progress 2015

	Included within Infrastructure	Total
Opening balance	103 902 418	103 902 418
Additions/capital expenditure	39 319 832	39 319 832
Transferred to completed items	(95 047 592)	(95 047 592)
	<b>48 174 658</b>	<b>48 174 658</b>

#### Reconciliation of Work-in-Progress 2014

	Included within Infrastructure	Total
Opening balance	81 872 886	81 872 886
Additions/capital expenditure	61 551 030	61 551 030
Transferred to completed items	(39 521 498)	(39 521 498)
	<b>103 902 418</b>	<b>103 902 418</b>

#### Deemed cost

### 4. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	763 104	-	763 104	763 104	-	763 104

#### Reconciliation of intangible assets - 2015

	Opening balance	Total
Computer software, other	763 104	763 104

#### Reconciliation of intangible assets - 2014

	Opening balance	Total
Computer software, other	763 104	763 104

### 5. Heritage assets

	2015			2014		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, Monuments and Heritage sites	5 995 054	-	5 995 054	5 995 054	-	5 995 054

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 5. Heritage assets (continued)

#### Reconciliation of heritage assets 2015

	Opening balance	Total
Museum collectable, Monuments and Heritage sites	5 995 054	5 995 054

#### Reconciliation of heritage assets 2014

	Opening balance	Total
Museum collectable, Monuments and Heritage sites	5 995 054	5 995 054

#### Heritage assets which fair values cannot be reliably measured

##### Heritage Assets

The following heritage assets cannot be reliably measured: 15 Grave stones/graves, 6 Monuments, 1 railway line bridge, 1 old mine shaft, 1 rock engraving, 1 foundation and 1 rock wall. Fair value cannot be determined reliably due to the uniqueness of the asset and no market exists for the assets to establish a reasonable value.

### 6. Other financial assets

#### At amortised cost

Investments	25 796 965	24 016 041
The municipality has not reclassified any financial assets from amortised cost to fair value or from fair value to amortised during the current or prior year.		

#### Non-current assets

At amortised cost	25 796 965	24 016 041
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#### Financial assets at amortised cost

##### Nominal value of Investments

Nedcor: FK183349	18 492 798	17 131 213
The Nedcor investment is encumbered by a pledge of R3 700 000.		
Sanlam: Capital guaranteed fund - 040710409X0	458 073	431 895
Sanlam: Capital guaranteed fund - 040644725x0	6 846 094	6 452 932
	<b>25 796 965</b>	<b>24 016 040</b>

### 7. Other receivables

#### Loan to Klerksdorp Rolbalklub

Short term portion of loan	24 019	23 088
Long term portion of loan	162 548	186 599
	<b>186 567</b>	<b>209 687</b>

An existing loan to the Klerksdorp Rolbalklub is being repaid with an interest rate of 5% applicable. The MFMA stopped the practice of giving loans to sport bodies

#### Remuneration overpaid to councillors

4 577 161	4 577 161
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# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>7. Other receivables (continued)</b>		
The councillors received remuneration that was above the upper limits as determined by the Minister of Finance hence in order for the requirements of section 7(1) of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998) to be complied with, this overpayments have to be repaid by the councillors. This amount constitutes Irregular expenditure deemed recoverable.		
<b>8. Inventories</b>		
Consumable stores	42 213 465	47 132 853
Water	1 862 238	1 530 528
Museum stores - at authorised value	164 440	165 182
Unsold properties held for resale at council resolution or municipal valuation	29 363 997	30 352 235
	<b>73 604 140</b>	<b>79 180 798</b>
<b>9. Receivables from exchange transactions</b>		
Deposits	727 153	727 153
Receivables	33 295 970	23 775 061
Market	1 939 506	1 939 506
Housing and housing rentals	1 445 006	1 484 444
	<b>37 407 635</b>	<b>27 926 164</b>
<b>10. VAT receivable</b>		
VAT	40 282 718	15 775 108
<b>11. Consumer debtors</b>		
<b>Gross balances</b>		
Rates	107 614 685	88 034 004
Electricity	277 164 310	248 581 626
Water	580 608 402	465 675 017
Sewerage	129 427 089	113 117 997
Refuse	169 358 771	127 784 322
Interest on overdue accounts	421 941 100	339 376 263
Other	228 417 892	198 181 140
	<b>1 914 532 249</b>	<b>1 580 750 369</b>
<b>Less: Allowance for impairment</b>		
Rates	(102 779 967)	(81 268 174)
Electricity	(264 712 373)	(236 221 895)
Water	(554 523 878)	(441 674 192)
Sewerage	(123 612 423)	(107 913 503)
Refuse	(161 750 127)	(121 490 274)
Interest on overdue accounts	(402 984 894)	(321 563 317)
Other	(218 155 946)	(194 820 070)
	<b>(1 828 519 608)</b>	<b>(1 504 951 425)</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>11. Consumer debtors (continued)</b>		
<b>Net balance</b>		
Rates	4 834 718	6 765 830
Electricity	12 451 937	12 359 731
Water	26 084 524	24 000 826
Sewerage	5 814 666	5 204 494
Refuse	7 608 644	6 294 048
Interest on overdue accounts	18 956 206	17 812 946
Other	10 261 946	3 361 070
	<b>86 012 641</b>	<b>75 798 945</b>
<b>Rates</b>		
Current (0 -30 days)	17 465 863	12 289 120
31 - 60 days	4 824 820	2 502 225
61 - 90 days	4 556 889	2 274 053
91+ days	80 767 113	70 968 606
Provision for bad debts	(102 779 967)	(81 268 174)
	<b>4 834 718</b>	<b>6 765 830</b>
<b>Electricity</b>		
Current (0 -30 days)	36 472 604	37 681 540
31 - 60 days	9 930 787	8 017 152
61 - 90 days	4 728 127	4 023 760
91 + days	226 032 792	198 859 174
Provision for bad debts	(264 712 373)	(236 221 895)
	<b>12 451 937</b>	<b>12 359 731</b>
<b>Water</b>		
Current (0 -30 days)	24 292 906	21 350 983
31 - 60 days	15 809 493	12 617 707
61 - 90 days	13 609 423	10 398 278
91 + days	526 896 580	421 308 050
Provision for bad debts	(554 523 878)	(441 674 192)
	<b>26 084 524</b>	<b>24 000 826</b>
<b>Sewerage</b>		
Current (0 -30 days)	5 408 240	4 579 610
31 - 60 days	2 573 001	1 730 808
61 - 90 days	2 232 751	1 313 816
91 + days	119 213 097	105 493 763
Provision for bad debts	(123 612 423)	(107 913 503)
	<b>5 814 666</b>	<b>5 204 494</b>
<b>Refuse</b>		
Current (0 -30 days)	7 091 294	4 920 157
31 - 60 days	4 524 763	2 269 123
61 - 90 days	4 191 878	1 905 483
91 + days	153 550 836	118 689 559
Provision for bad debts	(161 750 127)	(121 490 274)
	<b>7 608 644</b>	<b>6 294 048</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>11. Consumer debtors (continued)</b>		
<b>Interest on overdue accounts</b>		
Current (0 -30 days)	10 328 103	5 689 950
31 - 60 days	10 061 736	5 540 309
61 - 90 days	9 285 748	4 930 755
91 + days	392 265 513	323 215 250
Provisions for bad debts	(402 984 894)	(321 563 318)
	<b>18 956 206</b>	<b>17 812 946</b>
<b>Other</b>		
Current (0 -30 days)	11 395 099	11 866 649
31 - 60 days	5 191 063	4 690 251
61 - 90 days	3 907 507	3 161 002
91 + days	207 924 223	178 463 238
Provision for bad debts	(218 155 946)	(194 820 070)
	<b>10 261 946</b>	<b>3 361 070</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(1 504 951 425)	(1 282 972 063)
Contributions to allowance	(325 678 278)	(221 979 362)
Debt impairment written off against allowance	2 110 095	-
	<b>(1 828 519 608)</b>	<b>(1 504 951 425)</b>

The carrying value of consumer debtors approximate fair value.

## 12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	68 500	68 500
Bank balances	400 606	25 680 989
Short-term deposits	32 432 148	23 908 173
	<b>32 901 254</b>	<b>49 657 662</b>

## The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
ABSA Bank - cheque account - 4060008684	144 183	83 216	3 000	118 628	72 005	(16 000)
ABSA Bank - cheque account - 01000100176	4 805 676	12 740 886	3 436 786	(338 656)	22 196 106	813 979
ABSA Bank - cheque account - 950164379 (Council water)	982 081	3 543 222	2 074 331	380 255	3 177 193	1 766 987
ABSA Bank - cheque account - 950000090 (Market)	814 093	780 414	2 514 814	92 062	92 062	92 062
ABSA Bank - call account - 4071085841 (Housing)	148 713	143 624	120 359	148 317	143 624	120 359
<b>Total</b>	<b>6 894 746</b>	<b>17 291 362</b>	<b>8 149 290</b>	<b>400 606</b>	<b>25 680 990</b>	<b>2 777 387</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>13. Other financial liabilities</b>		
<b>At amortised cost</b>		
Shiva Uranium	32 409 664	32 409 664
The loan is interest free and repayable by selling portable water to the company at R0.50 per kilolitre discount to the regular price of potable water pumped.		
Annuity loans	96 529 632	111 236 120
Refer to appendix A for more detail on long-term liabilities.		
	<b>128 939 296</b>	<b>143 645 784</b>
<b>Total other financial liabilities</b>	<b>128 939 296</b>	<b>143 645 784</b>
<b>Non-current liabilities</b>		
At amortised cost	115 829 754	128 939 305
<b>Current liabilities</b>		
At amortised cost	13 109 542	14 706 478
<b>14. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
MIG	16 822 926	43 477 395
National Electricity Regulator	2 714 998	2 322 308
FMG	-	629 101
DWAF	276 464	276 464
MSIG	135 736	229 622
EPWP	4 773 198	3 690 262
Fire Grant	52 606	52 606
Library grant	1 240 587	1 066 118
NDPG Grant	3 971 670	-
Dr Kenneth Kaunda District Municipality	213 176	213 176
Disaster Assessment Management Grant	200 000	200 000
District Grant	4 581 284	3 364 660
Museum Grant	7 350	-
	<b>34 989 995</b>	<b>55 521 712</b>

See note 21 for reconciliation of grants from National or Provincial Government.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 15. Provisions

#### Reconciliation of provisions - 2015

	Opening Balance	Additions	Reversed during the year	Total
Environmental rehabilitation	14 354 384	1 676 745	-	16 031 129
Continuous medical aid contribution	195 598 486	17 631 353	-	213 229 839
Performance bonuses	820 605	-	(820 605)	-
Long service awards	46 222 438	4 453 932	-	50 676 370
	<b>256 995 913</b>	<b>23 762 030</b>	<b>(820 605)</b>	<b>279 937 338</b>

#### Reconciliation of provisions - 2014

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Environmental rehabilitation	11 843 979	2 510 405	-	14 354 384
Continuous medical aid contribution	235 206 401	-	(39 607 915)	195 598 486
Performance bonuses	820 605	-	-	820 605
Long service awards	43 112 375	3 110 063	-	46 222 438
	<b>290 983 360</b>	<b>5 620 468</b>	<b>(39 607 915)</b>	<b>256 995 913</b>

Non-current liabilities	267 491 759	243 462 265
Current liabilities	12 445 579	13 533 648
	<b>279 937 338</b>	<b>256 995 913</b>

#### Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur rehabilitation costs to restore the site at the end of its useful life. Provision has been made for the net present value of this cost.

#### Employee benefit cost provision

	2015	2014
Opening defined benefit obligation	195 598 486	235 206 401
Plus Service Cost	8 081 534	9 559 011
Plus Interest / Finance Cost	17 012 017	20 265 331
Actuarial (Gain)/Loss	585 710	(60 636 064)
Expected Employer Benefit Payments	(8 047 908)	(8 796 193)
	<b>213 229 839</b>	<b>195 598 486</b>

The Municipality provides a subsidy towards medical aid contributions payable by some employees who joined Matlosana and remain in the employ of Matlosana until retirement. The post-employment subsidy policy aims to be the same as that during employment. The subsidy rate is at a rate of 60% of monthly contributions and is subject to a cap, which is currently at R3 618.04. This defined benefit obligation is unfunded.

The value of this provision was determined by ARCH Actuarial Consulting CC, an independent actuarial consulting firm, as at 30 June 2015. The value of the provision is dependent on, amongst others, the demographic profile of employees, long maturity bond yields as well as assumptions for mortality and medical scheme contributions.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

Discount rate : 8.92% (2014 :8.88%)

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 15. Provisions (continued)

Future Medical inflation rate per annum : 8.05% ( 2014 : 8.1%)

Take-up by retired employees : 100% (2014 : 100%)

Retirement age : 65 (2014 : 65)

Pre retirement mortality : SA85-90 Light (2014 : SA85-90 Light)

Post retirement mortality : PA[90] (2014 : PA[90])

#### Provision for Long Service Awards

	2015	2014
Balance at beginning of year	46 222 438	43 112 375
Current-service cost	4 020 405	3 882 595
Interest cost	3 554 095	3 074 788
Benefits Paid	(4 665 135)	(4 786 020)
Actuarial Loss / (Gain)	1 544 558	938 700
	<b>50 676 361</b>	<b>46 222 438</b>

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2015 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 2 023 employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2015 is estimated to be R4 020 405, whereas the cost for the ensuing year is estimated to be R4 519 344 (30 June 2014: R3 882 995 and R4 020 405 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate:8.15% (2014: 8.09%)

Cost Inflation Rate: 7.15% (2014: 7.19%)

Net Effective Discount Rate: 0.93% (2014:0.84%)

Expected Retirement Age: 65 (2014:65)

### 16. Payables from exchange transactions

Trade payables	382 792 862	335 815 550
Payments received in advanced	38 774 132	46 343 021
Accrued leave pay	61 935 330	64 699 773
Long Service Leave	4 861 176	4 211 424
Sundry creditors	47 684 435	52 281 648
Housing : Absa bank account	148 317	143 624
Other Creditors	2 070	2 070
	<b>536 198 322</b>	<b>503 497 110</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 17. Consumer deposits

Electricity and water	22 947 417	16 678 404
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### 18. Revenue

Rendering of services	38	4 154
Service charges	1 061 158 920	988 903 850
Rental of facilities and equipment	5 232 869	4 905 070
Licences and permits	6 773 240	7 012 811
Miscellaneous other revenue	137 440	211 098
Property rates	247 297 084	190 356 830
Government grants & subsidies	434 482 074	438 551 726
Levies	1 507 176	1 397 186
Fines, Penalties and Forfeits	5 386 779	9 305 861
Market Dues	14 928 306	15 418 449
	<b>1 776 903 926</b>	<b>1 656 067 035</b>

**The amount included in revenue arising from exchanges of goods or services are as follows:**

Service charges	1 061 158 920	988 903 850
Rendering of services	38	4 154
Rental of facilities and equipment	5 232 869	4 905 070
Licences and permits	6 773 240	7 012 811
Miscellaneous other revenue	137 440	211 098
Commissions received	9 885 896	10 337 606
Recoveries	2 013 743	40 645 863
	<b>1 085 202 146</b>	<b>1 052 020 452</b>

**The amount included in revenue arising from non-exchange transactions is as follows:**

#### Taxation revenue

Property rates	247 297 084	190 356 830
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#### Transfer revenue

Government grants & subsidies	434 482 074	438 551 726
Levies	1 507 176	1 397 186
Fines, Penalties and Forfeits	5 386 779	9 305 861
Market Dues	14 928 306	15 418 449
	<b>703 601 419</b>	<b>655 030 052</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 19. Property rates

#### Rates received

Residential	198 312 605	163 656 229
State	30 016 980	11 240 316
Indigent	18 929 443	15 422 231
Sundry debtors	38 055	38 055
	<b>247 297 083</b>	<b>190 356 831</b>

#### Valuations

Residential	15 535 909 231	15 444 624 555
State	934 669 050	858 041 050
Municipal	625 832 325	615 840 525
Agricultural	2 057 631 936	2 049 681 396
Business	4 701 022 117	4 125 887 403
	<b>23 855 064 659</b>	<b>23 094 074 929</b>

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2014. The valuations were done by DDP Valuers on behalf of the Municipality.

### 20. Service charges

Sale of electricity	594 194 394	576 582 490
Sale of water	309 364 140	283 922 786
Sewerage and sanitation charges	68 004 886	60 810 433
Refuse removal	89 595 500	67 588 142
	<b>1 061 158 920</b>	<b>988 903 851</b>

### 21. Government grants and subsidies

#### Operating grants

Equitable share	339 136 000	337 085 000
MIG	76 769 779	82 616 283
FMG	1 600 834	1 802 242
MSIG	798 886	660 379
Library Grant	225 531	364 692
NDPG Grant	15 028 330	-
District Grant	-	12 223 105
Museum Grant	92 650	-
	<b>433 652 010</b>	<b>434 751 701</b>

#### Capital grants

District MEYMP	-	2 800 000
EPWP	830 064	1 000 026
	<b>830 064</b>	<b>3 800 026</b>
	<b>434 482 074</b>	<b>438 551 727</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 21. Government grants and subsidies (continued)

#### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R454 (2014: R390), which is funded from the grant.

#### MIG

Balance unspent at beginning of year	43 477 395	90 323 678
Current-year receipts	85 331 000	75 870 000
Conditions met - transferred to revenue	(76 062 469)	(82 616 283)
Roll over denied	(35 923 000)	(40 100 000)
	<b>16 822 926</b>	<b>43 477 395</b>

Conditions still to be met - remain liabilities (see note 14)

#### NERSA

Balance unspent at beginning of year	2 322 308	2 322 308
Current-year receipts	1 100 000	-
Conditions met - transferred to revenue	(707 310)	-
	<b>2 714 998</b>	<b>2 322 308</b>

Conditions still to be met - remain liabilities (see note 14)

#### FMG

Balance unspent at beginning of year	629 101	881 343
Current-year receipts	1 600 000	1 550 000
Conditions met - transferred to revenue	(1 600 834)	(1 802 242)
Roll over denied	(628 267)	-
	<b>-</b>	<b>629 101</b>

Conditions still to be met - remain liabilities (see note 14)

#### DWAF

Balance unspent at beginning of year	276 464	276 464
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Conditions still to be met - remain liabilities (see note 14)

#### MSIG

Balance unspent at beginning of year	229 622	-
Current-year receipts	934 000	890 000
Conditions met - transferred to revenue	(798 886)	(660 378)
Roll over denied	(229 000)	-
	<b>135 736</b>	<b>229 622</b>

Conditions still to be met - remain liabilities (see note 14)

#### EPWP

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>21. Government grants and subsidies (continued)</b>		
Balance unspent at beginning of year	3 690 262	3 690 262
Current-year receipts	1 913 000	1 000 000
Conditions met - transferred to revenue	(830 064)	(1 000 000)
	<b>4 773 198</b>	<b>3 690 262</b>
Conditions still to be met - remain liabilities (see note 14)		
<b>Fire</b>		
Balance unspent at beginning of year	52 606	52 606
Conditions still to be met - remain liabilities (see note 14).		
<b>Library</b>		
Balance unspent at beginning of year	1 066 119	1 030 811
Current-year receipts	400 000	400 000
Conditions met - transferred to revenue	(225 530)	(364 692)
	<b>1 240 589</b>	<b>1 066 119</b>
Conditions still to be met - remain liabilities (see note 14).		
<b>NDPG Grant</b>		
Current-year receipts	19 000 000	-
Conditions met - transferred to revenue	(15 028 330)	-
	<b>3 971 670</b>	-
Conditions still to be met - remain liabilities (see note 14).		
Provide explanations of conditions still to be met and other relevant information.		
<b>District MEYMP</b>		
Balance unspent at beginning of year	213 176	213 176
Conditions still to be met - remain liabilities (see note 14).		
<b>Disaster Assessment Management Grant</b>		
Balance unspent at beginning of year	200 000	-
Current-year receipts	-	200 000
	<b>200 000</b>	<b>200 000</b>
Conditions still to be met - remain liabilities (see note 14).		
<b>District Grant</b>		
Balance unspent at beginning of year	3 364 660	-
Current-year receipts	1 216 624	15 587 765
Conditions met - transferred to revenue	-	(12 223 105)
	<b>4 581 284</b>	<b>3 364 660</b>
Conditions still to be met - remain liabilities (see note 14).		

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 21. Government grants and subsidies (continued)

#### Museum Grant

Current-year receipts	100 000	-
Conditions met - transferred to revenue	(92 650)	-
	<b>7 350</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 14).

### 22. Other income

Commissions received	9 885 896	10 337 606
Royalties received	1 976 233	2 123 176
Rental income - third party	237 722	138 187
Discount received	569 692	880 337
Recoveries	1 193 138	1 037 948
Gain on movement of provisions	820 605	39 607 915
Other miscellaneous income	16 758 313	16 424 239
Donation of community hall	5 000 000	-
	<b>36 441 599</b>	<b>70 549 408</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>23. General expenses</b>		
Advertising	1 538 220	1 505 437
Auditors remuneration	4 886 243	4 845 403
Bank charges	7 813 433	7 280 162
Consulting and legal fees	9 972 594	8 591 386
Consumables	1 044 451	1 194 024
Discount allowed	8 960	871 994
Entertainment	95 020	254 907
Fines and penalties	37 400	357 750
Installation cost	49 004 795	19 821 032
Animal costs	-	1 833
Gifts	-	9 214
Hire	2 320 635	594 084
Insurance	8 084 170	3 771 353
Community development and training	115 658	385 911
Conferences and seminars	638 857	465 232
Marketing	169 109	322 191
Promotions and sponsorships	-	198 073
Magazines, books and periodicals	64 715	87 044
Medical expenses	8 945	24 878
Motor vehicle expenses	32 215 548	30 734 379
Pest control	87 546	29 099
Postage and courier	3 232 234	3 048 149
Printing and stationery	2 304 973	3 308 663
Promotions	-	25 259
Royalties and license fees	-	4 710
Security (Guarding of municipal property)	-	24 875
Subscriptions and membership fees	5 076 147	4 381 009
Telephone and fax	5 734 140	5 475 514
Transport and freight	26 571	33 149
Training	2 511 362	2 593 141
Travel - local	328 133	341 807
Refuse	2 941 275	4 744 667
Title deed search fees	205 848	153 450
Other miscellaneous	21 977 821	29 613 584
Revenue enhancement	1 195 839	8 991 616
Alternative Energy	13 273 327	12 478 554
Indigent costs	19 101 715	15 414 067
Clean audit project	5 491 819	4 422 563
Meter readings	8 145 837	9 003 955
Valuation fees	357 051	5 442 403
Tracing fees	20 230	149 940
Chemicals	873 107	1 151 812
	<b>210 903 728</b>	<b>192 148 273</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>24. Employee related costs</b>		
Basic	287 527 744	279 745 899
Medical aid - company contributions	54 122 796	33 306 479
UIF	2 821 375	2 804 814
WCA	2 160 350	2 472 841
Other payroll levies	3 734 516	3 626 734
Leave pay provision charge	(2 487 209)	11 523 626
Travel, motor car, accommodation, subsistence and other allowances	6 883 404	6 169 076
Overtime payments	29 868 852	28 952 611
Long-service awards	4 453 932	3 110 063
13th Cheques	22 738 064	21 780 794
Housing benefits and allowances	1 387 153	1 282 830
Group insurance	1 050 980	948 156
Pension fund	58 938 017	57 107 672
Redemption of leave	4 255 290	3 669 388
Other payments	985 674	1 911 277
	<b>478 440 938</b>	<b>458 412 260</b>
<b>Remuneration of municipal manager</b>		
Motsemme ET (Municipal Manager)	1 313 903	1 231 225
Mabuda SG (Acting Municipal Manager since February 2015)	668 918	-
	<b>1 982 821</b>	<b>1 231 225</b>
<b>Remuneration of Chief Finance Officer</b>		
Kwenamore WM (Acting Chief Financial Officer until January 2015)	630 260	1 226 671
Browm JM (Acting Chief Financial Officer: January to February 2015)	46 000	-
CHR Boshoff (Acting Chief Financial Officer since February 2015)	544 367	-
	<b>1 220 627</b>	<b>1 226 671</b>
<b>Remuneration of Director Municipal &amp; Environmental Services (Vacant)</b>		
Annual equivalent remuneration.	1 067 946	1 004 727
<b>Remuneration of Director Corporate Services</b>		
Stydom AG (Appointed from 16 April 2012 until 31 October 2014)	334 884	1 822 957
Ciya ND (Acting director from 1 July 2014 to 30 October 2014)	95 093	-
Ramorola LM (Acting director since 1 November 2014)	733 034	-
	<b>1 163 011</b>	<b>1 822 957</b>
<b>Remuneration of Director Macro City Planning &amp; Development</b>		
Annual equivalent remuneration (Mabuda SG was appointed acting municipal manager from 14 January 2015)	1 067 946	1 004 727
<b>Remuneration of Director Strategic Planning, Monitoring and Control (Vacant)</b>		
Annual equivalent remuneration.	1 067 946	1 004 727
<b>Remuneration of Director Infrastructure (Vacant)</b>		
Annual equivalent remuneration.	1 067 946	1 004 651
<b>Remuneration of Director Electrical and Mechanical Engineering (Vacant)</b>		
Annual equivalent remuneration.	1 067 946	901 175

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>25. Remuneration of councillors</b>		
Executive Mayor	724 669	724 669
Mayoral Committee Members	6 137 898	6 605 373
Speaker	583 908	583 908
Councillors	13 011 782	12 936 513
	<b>20 458 257</b>	<b>20 850 463</b>
<b>In-kind benefits</b>		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor has the use of a Council owned vehicle for official duties.		
The Executive Mayor has one full-time bodyguard\driver.		
<b>26. Debt impairment</b>		
Contributions to debt impairment provision	296 473 318	199 453 276
Bad debts written off	2 110 095	-
	<b>298 583 413</b>	<b>199 453 276</b>
<b>27. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	1 120 767	1 100 054
Interest charged on trade and other receivables	87 282 388	52 281 792
Interest on investments	2 799 250	3 686 045
	<b>91 202 405</b>	<b>57 067 891</b>
<b>28. Depreciation and amortisation</b>		
Property, plant and equipment	439 621 839	439 756 557
<b>29. Finance costs</b>		
Non-current borrowings	12 111 941	13 972 619
Other interest paid	31 667 058	20 476 234
	<b>43 778 999</b>	<b>34 448 853</b>
<b>30. Auditors' remuneration</b>		
Fees	4 886 243	4 845 403
<b>31. Contracted services</b>		
Security Services	18 379 469	17 962 545
Disconnecting/ Connecting Services	4 457 768	55 041 616
Debt Collection	5 847 346	25 596 509
Garden Services Paypoints	20 000	39 882
Alarm System Monitoring Services	-	14 204
	<b>28 704 583</b>	<b>98 654 756</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>32. Bulk purchases</b>		
Electricity	448 509 787	435 735 434
Water	209 119 521	210 948 932
	<b>657 629 308</b>	<b>646 684 366</b>
Electricity (losses in units)	160 757 258	154 414 897
Electricity (losses as %)	27%	26%
Water (losses in units)	10 828 016	11 072 917
Water (losses) in %	36%	36%
Electricity and water are supplied by Eskom and Midvaal Water Company.		
The municipality is in the process of installing meters at all its premises to enable us to accurately measure and manage own use. A strategy has been developed to minimise distribution losses and it will be implemented over time due to budget constraints.		
<b>33. Cash generated from operations</b>		
Deficit	(338 987 347)	(356 152 510)
<b>Adjustments for:</b>		
Depreciation and amortisation	439 621 839	439 756 557
Movement in valuation of wild stock	68 047	1 314 035
Debt impairment	298 583 413	199 453 276
Movements in provisions	22 941 425	(22 463 821)
Non-cash donation received	(5 000 000)	-
Stock Adjustment	(126 065)	-
Loss on sale of assets	32 374 453	751 399
<b>Changes in working capital:</b>		
Inventories	5 702 723	(15 334 491)
Receivables from exchange transactions	(9 481 471)	(4 622 810)
Consumer debtors	(333 781 880)	(218 920 371)
Other receivables	23 120	-
Payables from exchange transactions	32 701 213	119 325 724
VAT	477 161	29 390 684
Receivables arising from irregular expenditure	-	(1 772 225)
Unspent conditional grants and receipts	(20 531 717)	(3 168 962)
	<b>124 584 914</b>	<b>167 556 485</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>34. Commitments</b>		
<b>Authorised capital expenditure</b>		
<ul style="list-style-type: none"> <li>Infrastructure</li> <li>Community</li> </ul>	37 723 897 -	40 986 607 9 588 303
	<b>37 723 897</b>	<b>50 574 910</b>
<b>This expenditure will be financed from :</b>		
<ul style="list-style-type: none"> <li>Government grants</li> </ul>	37 723 897	50 574 910
<p>This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.</p>		
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	6 819 540	956 384
<p>Operating lease payments represent rentals payable by the municipality for certain of its office properties, vehicles and office equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.</p>		
<b>35. Contingencies</b>		
<b>Contingent assets</b>		
<b>City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd</b>		
Council obtained judgement against respondent.	1 300 000	-
<b>City of Matlosana / MM Moadira</b>		
Six claims were formulated in the summons relating to financial losses incurred due to misconduct by the defendant.	4 754 892	4 754 892
<b>City of Matlosana / Reetseng Construction CC</b>		
A claim by the Council for the non-delivery of goods paid for.	276 633	276 633
<b>City of Matlosana / Balemi Civils</b>		
A claim by Council for non performance of contract CE58/2/2007/B.	1 600 000	1 600 000
<b>City of Matlosana / Badiboa Building Construction CC</b>		
Council instituted legal action to recover monies as per surety for failure to perform as per tender CE2/2/2010.	-	1 500 000
<b>City of Matlosana / Mr Masisi</b>		
City of Matlosana sued Mr Masisi for fruitless and waste full expenditure,	1 901 264	7 822 100
<b>City of Matlosana / Zazise Communications CC</b>		
A claim by the Council for the non-payment of money owed by the defendant for advertisement.	500 000	500 000

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 36. Related parties

#### Relationships

Councillor LM Kortjas	Midvaal Water Company
Councillor RA Matsepe	Midvaal Water Company
Councillor EPJ Nel	Midvaal Water Company
Councillor S Nakedi	Midvaal Water Company
Councillor MI Groenewald	Midvaal Water Company
Councillor EJ Legassick	Star Lubricant Distributors CC
Councillor L Robinson	SENWES
Councillor A Combrinck	Lomdrom Skips
Councillor Dithejane MC	Lerato Botho Building Electrical Construction CC

Councillors are members of the board of directors of the Midvaal Water Company ( a section 21 company ) who supply bulk water to the City of Matlosana. Transactions with Midvaal Water Company amounted to R209 119 521(2014:R210 948 932). Midvaal Water Company is a supplier and the transactions are at arm's length.

Councillor Legassick is a related party to Star Lubricant Distributors and the amount contracted for the year amounted to R0.00 (2014: R2 505.45).

Councillor Dithejane is a member of Lerato Botho Building Electrical Construction CC which provides construction services that is awarded through the tender process. Expenditure for the current year is R0.00 (2014 : R 171 579)

Councillor A Combrinck is a related party of Lomdrom Skips and the amount contracted for the year amounted to R15 300 (2014: R3 600).

Councillor L Robinson is employed by SENWES and the amount contracted for the year amounted to R511.40.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Mayoral Committee members, Municipal Manager and Executive directors. Refer to note 24 and 25 for remuneration paid.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 37. Prior period errors

1. In 2013 the infrastructure assets were understated by R214 011 724.29, buildings were understated by R2 061 134.40, Heritage assets were understated by R3 384 938.16 and Other assets were understated with R2 082 545.31.
2. In 2014 there was an amount of R4 500 that was incorrectly classified under other income instead of equity, as a result the deficit was understated and equity was also understated.
3. In 2014 the Municipality reflected an equity balance for funds relating to housing development. This fund was not supported by any separately identified assets and liabilities related to housing development. As a result this fund should not have been separately disclosed in the annual financial statement but should have been included in the accumulated surplus.
4. In 2014 there's was roll over denied by National Treasury of unspent conditional grants and national treasury stipulated that R40,1million of this unspent conditional grant should be paid back to treasury. This transaction was not accounted for consequently the liability due to national treasury was understated by R40.1million and grant revenue was overstated by the same amount.
5. In 2014 the workman's compensation due to the department of labour was understated and as a result the current liabilities were understated by the same amount. Consequently the related penalties were not accrued for and hence understated.
6. In 2014, the vat claimable was incorrectly treated on certain expenditure items, resulting in an overstatement of repairs and maintenance of R2 263 570,06 as well as understatement of VAT receivable by the same amount.
7. In 2014 the deferred VAT on impaired debtors was not correctly accounted for, as a result the VAT receivable was understated and the impairment expense recognised for the 2013-14 financial period was overstated.
8. There were journals incorrectly processed in the 2013-14 financial year that resulted in VAT receivable being overstated by R26 637 200, general expenditure being overstated by R5 615 249 and repairs and maintenance being understated by R1 269 149.
9. Due to the errors discovered in 2014 that relate to expenditure, the unauthorised expenditure was overstated by R35 313 185.
10. Due to insufficient review and monitoring, the reported irregular expenditure in 2014 was understated by R51 573 910.
11. During the 2014 financial period the loan due to Sihva Uranium for construction costs of water and sewerage pipelines was understated by R18 806 774.67 due to certain sections of the pipeline network not being accounted for.
12. In 2014, there was an amount relating to other receivables that was incorrectly mapped to payables from exchange transactions, as a result the other receivables were understated by R1 935 216.47 and the payables from exchange transactions were understated by the same amount.

### Effect of errors on the Accumulated Surplus

Increase in accumulated surplus due to error 1	- 224 624 728
Increase in accumulated surplus due to error 2	- 4 500
Increase in accumulated surplus due to error 3	- 5 125 928
Decrease in accumulated surplus due to error 5	- (2 018 402)
Decrease in accumulated surplus due to error 8	- (30 983 303)
Decrease in accumulated surplus due to error 11	- (18 806 775)
<b>Increase / (Decrease) in Unappropriated Surplus Account</b>	<b>- 177 946 676</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>37. Prior period errors (continued)</b>		
<b>Effect of errors on Statement of financial position</b>		
Increase in Property, plant and equipment due to error 1	-	221 540 342
Decrease in the housing development fund due to error 3	-	5 125 928
Increase in National Treasury Liability due to error 4	-	(40 100 000)
Increase in payables from exchange transactions due to error 5	-	(4 647 702)
Increase in the VAT receivable due to error 6	-	2 263 570
Increase in the VAT receivable due to error 7	-	22 526 086
Decrease in VAT receivable due to error 8	-	(26 637 200)
Increase in other financial liabilities due to error 11	-	(18 806 775)
Increase in receivables from exchange transaction	-	1 935 216
Increase in payables from exchange transactions	-	(1 935 216)
	-	<b>161 264 249</b>
<b>Effect of errors on Statement of Financial Performance</b>		
Deficit as previously reported	-	(339 470 084)
Increase in depreciation due to error 1	-	(3 084 386)
Decrease in other income due to error 2	-	(4 500)
Decrease in Grant revenue due to error 4	-	(40 100 000)
Increase in personnel costs due to error 5	-	(2 404 188)
Increase in finance cost due to error 5	-	(225 111)
Decrease in general expenses due to error 6	-	2 263 570
Decrease in debt impairment due to error 7	-	22 526 086
Decrease in general expenses due to error 8	-	5 615 249
Increase in repairs and maintenance due to error 8	-	(1 269 146)
<b>Restated deficit as per Statement of changes in Net Assets</b>	-	<b>(356 152 510)</b>

### 38. Comparative figures

Certain comparative figures have been reclassified.

1. Lease rentals on operating lease were included in general expenses in the prior period, these are now disclosed separately in the detailed income statement.

The effects of the reclassification are as follows:

#### Statement of financial performance

Increase in Lease rentals on operating lease	-	8 424 508
Decrease in General Expenses	-	(8 424 508)

### 39. Risk management

#### Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide services for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in notes 13, cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 39. Risk management (continued)

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The municipality's strategy is to maintain a gearing ratio of between 10% to 35%.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2015 and 2014 respectively were as follows:

#### Total borrowings

Current Liabilities		619 690 855	644 037 352
Non-current liabilities		383 321 513	372 401 570
		<b>1 003 012 368</b>	<b>1 016 438 922</b>
Less: Cash and cash equivalents	12	32 901 254	49 657 662
Net debt		970 111 114	966 781 260
Total equity		5 335 651 694	5 518 500 718
<b>Total capital</b>		<b>6 305 762 808</b>	<b>6 485 281 978</b>

### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. During 2015 and 2014, the municipality's borrowings at variable rate were denominated in Rand.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 39. Risk management (continued)

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2015	2014
Long term receivables	25 959 453	24 202 640
Consumer debtors	86 012 641	75 798 944
Other receivables	4 601 180	4 600 249
Cash and cash equivalents	32 901 254	49 657 662

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in note 12.

### 40. Going concern

We draw attention to the fact that although the municipality reported a deficit of R338 987 347 at 30 June 2015, the municipality had accumulated surplus of 5 335 651 694 and that the municipality's total assets exceed its liabilities by 5 335 651 694. However current liabilities exceeds current assets by R344 881 287.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

We are experiencing cash flow challenges as a result of low debtors collection rate which has an impact on our ability to pay our creditors timeously. Our ability to continue as a going concern is highly dependant on improvement of collections and management of costs. As a result of the above financial indicators, some uncertainty exists regarding the Municipality to continue as a going concern.

### 41. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

### 42. Unauthorised expenditure

#### Reconciliation of unauthorised expenditure

Opening balance	1 404 482 186	784 404 168
Unauthorised expenditure current year	20 051 989	620 078 018
<b>Unauthorised expenditure awaiting authorisation</b>	<b>1 424 534 175</b>	<b>1 404 482 186</b>

The over expenditure for the 2015 financial year is mainly due interest on over due bulk purchases accounts. Regarding the 2014 unauthorised expenditure, the over expenditure against budget due to additional depreciation charge as a result of the GRAP 17 compliance exercise conducted and the impairment of consumer and sundry debtors. The total balance including the opening balance will be dealt with in accordance with the MFMA requirements.

### 43. Fruitless and wasteful expenditure

#### Reconciliation of fruitless and wasteful expenditure

Opening balance	54 228 686	36 036 348
Fruitless and wasteful expenditure current year	33 986 873	18 192 338
<b>Fruitless and wasteful expenditure awaiting condonement</b>	<b>88 215 559</b>	<b>54 228 686</b>

The Municipality incurred interest as a result of late payment of the Eskom, SARS and Auditor General accounts. Fines and penalties was also incurred for late submissions and other incidents of non-compliance.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>44. Irregular expenditure</b>		
<b>Reconciliation of irregular expenditure</b>		
Opening balance	1 929 968 092	1 613 456 027
Add: Irregular Expenditure - current year	257 875 124	316 512 065
<b>Irregular expenditure awaiting condonement</b>	<b>2 187 843 216</b>	<b>1 929 968 092</b>
<b>45. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government : SALGA</b>		
Opening balance	23 754	1 688 140
Current year subscription / fee	4 442 020	4 442 020
Amount paid - current year	(4 442 020)	(6 106 406)
	<b>23 754</b>	<b>23 754</b>
<b>Audit fees</b>		
Opening balance	7 637 885	4 412 066
Current year subscription / fee	5 570 317	6 079 303
Amount paid - current year	(8 366 462)	(2 853 484)
	<b>4 841 740</b>	<b>7 637 885</b>
<b>PAYE, UIF and SDL</b>		
Opening balance	3 933 337	3 570 233
Current year subscription / fee	51 007 384	48 800 703
Amount paid - current year	(50 897 269)	(48 437 599)
	<b>4 043 452</b>	<b>3 933 337</b>
<b>Pension and Medical Aid Deductions</b>		
Opening balance	10 954 934	10 391 470
Current year subscription / fee	134 668 054	130 323 056
Amount paid - current year	(134 515 802)	(129 759 592)
	<b>11 107 186</b>	<b>10 954 934</b>

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 45. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### VAT

VAT receivable	40 282 718	15 775 108
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#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2015:  
(Currently arrangements with the councillors to deduct the outstanding balances from their monthly salaries in line with the council's credit policy)

30 June 2015	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Coetzee	3 332	30 887	34 219
30 June 2014	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor LM Kortjas	4 445	9 889	14 334

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2015	Highest outstanding amount 2015	Highest outstanding amount 2014
Councillor M Coetzee	34 219	-
Councillor IM Groenewald	-	2 871
Councillor LM Kortjas	-	20 895
	<b>34 219</b>	<b>23 766</b>

#### Supply chain management regulations

### 46. Utilisation of Long-term liabilities reconciliation

Long-term liabilities	128 939 296	143 645 783
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Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Refer to appendix A for more detail on long-term liabilities.

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>47. Contingent liabilities</b>		
	-	-
<b>Guarantee in favour of Telkom</b>		
	-	-
<b>Theron Jordaan &amp; Smit / City of Matlosana</b> This was an application by the claimant, a firm of attorneys, to be reinstated on the panel by council. There is also a counter action by council for files retained by the firm.	185 166	185 166
<b>Francis Behr / City of Matlosana</b> Mr. Behr claimed against the Council for not transferring Erf 3141 Orkney Extension 2 into his name as he paid an amount of R13 500.	-	13 500
<b>S Pillay / City of Matlosana</b> Shalin Pillay instituted legal action Council for damages suffered.	240 000	240 000
<b>Roadspan Asphalt (Pty) Ltd / City of Matlosana</b> Council is defending summons brought against the Council by the plaintiff.	174 292	174 292
<b>QCK Lezmin 4251 CC / City of Matlosana</b> Council is defending summons brought against the Council by the plaintiff.	1 309 124	1 309 124
<b>River End Trading / City of Matlosana</b> Council is defending summons brought against the Council by the plaintiff.	87 372	87 372
<b>Ke A Dira Construction CC / City of Matlosana</b> Council is defending summons brought against the Council by the plaintiff for losses alleged to have been experienced due to the revision of tender FS 1/2011.	2 274 703	2 274 703
<b>Itumre Building Supply CC / City of Matlosana</b> The City of Matlosana is defending the matter.	563 816	563 816
<b>Silver Blade Abattoir (Pty) Ltd / City of Matlosana</b> The claimant instituted legal action against City Matlosana.	-	200 000
<b>MM Moadira / Executive Mayor and City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	4 000 000	4 000 000
<b>P &amp; S Basson / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	141 600	-
<b>Afriforum / City of Matlosana</b> Afriforum sued the municipality for non-payment of the Midvaal and Eskom accounts.	-	1 000 000
<b>Panos Kannelakapoulos / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	6 100	-
<b>Munmap (Pty) Ltd Maximum Profit Recovery / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	1 200 000	-
<b>Custos Beskerming CC / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	36 231	-

# City of Matlosana

Annual Financial Statements for the year ended 30 June 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>47. Contingent liabilities (continued)</b>		
<b>Paul Fick Cronje / City of Matlosana</b> The claimant instituted a claim the City of Matlosana.	2 005	-
<b>Norman Gerdus Keyser / City of Matlosana</b>	98 455	-
<b>Joseph L. Moshesh / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	60 000	-
<b>Invula Roads and Civil / City of Matlosana</b> The claimant instituted legal action against the City of Matlosana.	1 522 100	-

# City of Matlosana

## Appendix A

### Schedule of external loans as at 30 June 2015

	Loan Number	Redeemable	Balance at 1/07/2014	Received during the period	Redeemed written off during the period	Balance at 30/06/2015
			Rand	Rand	Rand	Rand
Development Bank of South Africa						
Development Bank of SA @ 12.00%	JBC09588	30-Sep-2014	2 475 088.68	-	2 475 088.68	-
Development Bank of SA @ 15.00%	NW10959	30-Sep-2017	3 160 978.17	-	746 673.65	2 414 304.52
Development Bank of SA @ 15.25%	NW11182	30-Sep-2018	3 948 042.96	-	667 305.73	3 280 737.23
Development Bank of SA @ 15.60%	NW13637	30-Sep-2020	2 683 200.24	-	263 151.03	2 420 049.21
Development Bank of SA @ 15.00%	NW13874/1	30-Sep-2019	2 777 777.75	-	555 555.55	2 222 222.20
Development Bank of SA @ 15.00%	NW13874/2	30-Jun-2019	14 998 125.00	-	-	14 998 125.00
Development Bank of SA @ 11.20%	NW101297/1	30-Jun-2019	14 650 784.61	-	2 330 096.47	12 320 688.14
Development Bank of SA @ 11.20%	NW101297/2	30-Jun-2019	18 332 739.90	-	2 915 683.61	15 417 056.29
Development Bank of SA @ 14.75%	103677/1	1-Nov-2025	30 827 935.85	-	1 511 549.61	29 316 386.24
Development Bank of SA @ 15.00%	10556	31-Mar-2018	5 940 488.93	-	1 180 593.57	4 759 895.36
Development Bank of SA @ 15.25%	10906	30-Sep-2019	2 908 909.15	-	370 543.53	2 538 365.62
Development Bank of SA @ 15.25%	10912	30-Sep-2019	4 307 966.02	-	548 758.61	3 759 207.41
Development Bank of SA @ 15.25%	10913	30-Sep-2019	3 315 597.22	-	422 348.39	2 893 248.83
Development Bank of SA @ 10.%	9743	30-Sep-2015	367 033.47	-	367 033.47	-
Development Bank of SA @ 10.%	9746	30-Sep-2015	541 442.70	-	352 096.26	189 346.44
TOTAL EXTERNAL LOANS			111 236 110.65	-	14 706 478.16	96 529 632.49

**City of Matlosana**  
**Appendix B**

**Analyses of assets register as at 30 June 2015**

	Cost / Revaluation					Accumulated Depreciation					Accumulated Impairment					
	Opening Balance	Correction of Error 2015	Additions 2015	Disposal/ Write Off Acc Cost	Transfers 2015	Closing Balance	Opening Balance	Correction of Error Acc Depr	Correction of Error Depr	Depreciation 2015	Disposal/ Write Off Acc Depr	Closing Balance	Opening Balance	Impair-ment 2015	Closing Balance	Carrying Value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
COMMUNITY																
Establishment of Parks and Gardens	229,995		-			229,995	(28,834)			(13,126)		(41,960)				188,035
Sportsfields	161,132,741		8,912,590			170,045,331	(26,763,101)			(9,259,168)		(36,022,269)				134,023,062
Community Halls	421,224,105		5,000,000			426,224,105	(136,523,534)			(25,790,614)		(162,314,148)				263,909,957
Libraries	212,890,819					212,890,819	(52,292,490)			(12,294,419)		(64,586,909)				148,303,910
Library Books	17,238,687		359,365			17,598,052	(9,509,983)			(2,154,142)		(11,664,125)				5,933,927
Recreational facilities	37,462,669					37,462,669	(8,734,661)			(1,868,013)		(10,602,674)				26,859,995
Clinics	16,677,648					16,677,648	(2,230,281)			(972,667)		(3,202,948)				13,474,699
Museums and Art Galleries	16,395,189					16,395,189	(2,309,472)			(916,507)		(3,225,979)				13,169,210
Cemetaries	11,661,395					11,661,395	(3,558,722)			(893,860)		(4,452,582)				7,208,813
	894,913,248	-	14,271,955	-	-	909,185,203	(241,951,077)	-	-	(54,162,517)	-	(296,113,594)	-	-	-	613,071,609
INFRASTRUCTURE																
Roads, Pavements, Bridges and Storm Water	3,714,088,515	169,991,122	35,570,388	(7,415,225)		3,912,234,800	(1,882,172,652)	(81,915,729)	(5,588,940)	(125,302,012)	4,453,831	(2,090,525,503)				1,821,709,297
Water Reservoirs and Reticulation	2,516,558,303	(355,189)	23,107,546	(26,124)		2,539,284,536	(1,298,774,144)	(405,424)	89,956	(114,375,270)	16,981	(1,413,447,901)				1,125,836,635
Car Parks, Bus Terminals and Taxi Ranks	8,334,224					8,334,224	(1,805,336)			(406,670)		(2,212,007)				6,122,218
Electricity Reticulation	1,965,988,050	31,229,004	2,383,872	(30,248,158)		1,969,352,768	(981,810,202)	96,075,625	3,190,961	(53,813,815)	254,064	(936,103,367)				1,033,249,401
Sewerage Purification and Reticulation	1,915,953,842	8,755,003	24,244,370			1,948,953,215	(1,017,662,028)	(6,728,142)	(326,522)	(52,313,468)		(1,077,030,160)				871,923,056
	10,120,922,935	209,619,940	85,306,176	(37,689,507)	-	10,378,159,543	(5,182,224,362)	7,026,330	(2,634,545)	(346,211,235)	4,724,875	(5,519,318,937)	-	-	-	4,858,840,606
HERITAGE																
Heritage	2,610,116	3,384,938	-			5,995,054	-					-				5,995,054
	2,610,116	3,384,938	-	-	-	5,995,054	-	-	-	-	-	-	-	-	-	5,995,054
HOUSING																
Housing Schemes	29,344,633		-	-	-	29,344,633	(8,238,989)			(1,670,692)		(9,909,680)				19,434,953
	29,344,633	-	-	-	-	29,344,633	(8,238,989)	-	-	(1,670,692)	-	(9,909,680)	-	-	-	19,434,953
OTHER ASSETS																
Motor Vehicles	79,069,855	417,090	136,200	(2,783,654)		76,839,491	(28,176,318)	(27,310)	(20,647)	(5,522,588)	1,194,258	(32,552,605)				44,286,886
Furniture and Fittings	28,561,697	59,286	694,030	(488,508)		28,826,505	(16,822,569)	137,578	(26,686)	(3,881,642)	418,798	(20,174,522)	(40,545)	4,372	(36,172)	8,615,811
Emergency Equipment	338,362					338,362	(153,939)			(51,727)		(205,666)				132,696
Plant and Equipment	18,647,858	797,399		(563,162)		18,882,095	(12,598,468)	(192,841)	(105,564)	(1,788,951)	473,127	(14,212,697)				4,669,398
Office Equipment	27,772,127	1,449,019	690,747	(1,373,856)		28,538,037	(20,710,621)	(238,534)	(184,102)	(2,610,191)	1,178,549	(22,564,899)	(40,582)	24,408	(16,173)	5,956,964
Airports	17,767,224					17,767,224	(5,163,706)			(550,853)		(5,714,559)			-	12,052,664
Security Measures																
Library Books																
	172,157,123	2,722,794	1,520,977	(5,209,180)	-	171,191,715	(83,625,621)	(321,107)	(336,998)	(14,405,953)	3,264,731	(95,424,949)	(81,126)	28,781	(52,346)	75,714,420

Analyses of assets register as at 30 June 2015

	Cost / Revaluation					Accumulated Depreciation					Accumulated Impairment					
	Opening Balaance	Correction of error 2015	Additions 2015	Disposal/ Write off acc cost	Transfers 2015	Closing Balance	Opening Balance	Correction of error acc depr	Correction of error depr	Depreciation 2015	Disposal/ Write off acc depr	Closing Balance	Opening Balance	Impairment 2015	Closing Balance	Carrying Value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
LAND & BUILDINGS																
Civic Land & Buildings																
Other Land & Buildings																
Land	104,248,354				(2,126,539)	102,121,815	-					-				102,121,815
Buildings	428,763,177	2,783,274	29,160			431,575,611	(91,912,745)	(609,297)	(112,843)	(23,171,441)		(115,806,326)	(1,531,023)		(1,531,023)	314,238,262
	533,011,531	2,783,274	29,160	-	(2,126,539)	533,697,426	(91,912,745)	(609,297)	(112,843)	(23,171,441)	-	(115,806,326)	(1,531,023)	-	(1,531,023)	416,360,078
Total PPE	11,752,959,585	218,510,946	101,128,268	(42,898,687)	(2,126,539)	12,027,573,574	(5,607,952,794)	6,095,926	(3,084,386)	(439,621,837)	7,989,606	(6,036,573,486)				5,989,416,720
Investment Properties	46,210,659				(455,104)	45,755,556	-	-	-	-		-				45,755,556
	46,210,659	-	-	-	(455,104)	45,755,556	-	-	-	-	-	-	-	-	-	45,755,556
Intangible Assets	763,104					763,104	-									763,104
	763,104	-	-	-	-	763,104	-	-	-	-		-	-	-	-	763,104
Total Fixed Asset Register	11,799,933,349	218,510,946	101,128,268	(42,898,687)	(2,581,643)	12,074,092,234	(5,607,952,794)	6,095,926	(3,084,386)	(439,621,837)	7,989,606	(6,036,573,486)	(1,612,149)	28,781	(1,583,369)	6,035,935,380

City of Matlosana  
Appendix C

Segmental analyses of property, plant and equipment as at 30 June 2015

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals / Transfers	Closing Balance	Opening Balance	Additions	Disposals / Transfers	Closing Balance	
City Civil Engineer	3,948,414,160.90	45,468,210.30	(6,918,704.16)	3,986,963,667.04	1,987,399,632.96	129,309,825.79	4,612,657.24	2,112,096,801.51	1,874,866,866
Public Safety	125,225,466.69	136,200.00	(109,932.02)	125,251,734.67	34,115,056.12	7,408,120.03	58,937.87	41,464,238.28	83,787,496
Community Services	84,925,225.91	10,296.75	(207,745.20)	84,727,777.46	29,200,036.84	5,048,644.36	98,011.78	34,150,669.42	50,577,108
Housing	30,102,550.05	-	-	30,102,550.05	8,787,168.08	1,729,830.58	-	10,516,998.66	19,585,551
Water	2,544,890,246.97	23,019,446.08	(78,108.16)	2,567,831,584.89	1,304,831,368.63	116,226,269.87	43,946.74	1,421,013,691.76	1,146,817,893
Electrical Engineer	1,999,788,400.45	1,335,782.37	(2,006,290.79)	1,999,117,892.02	891,612,934.04	55,930,086.13	1,052,353.24	946,490,666.93	1,052,627,225
Finance	90,511,633.30	689,736.61	(1,603,434.32)	89,597,935.59	25,913,579.84	6,286,247.53	1,382,809.86	30,817,017.52	58,780,918
Cleansing	12,927,162.20	-	(127,639.80)	12,799,522.40	4,819,071.89	876,417.23	77,098.20	5,618,390.92	7,181,131
Sewerage	1,957,398,359.98	15,472,440.63	(58,419.59)	1,972,812,381.02	1,031,860,759.04	53,949,591.72	28,699.90	1,085,781,650.86	887,030,730
Market	91,586,921.72	-	(803.74)	91,586,117.98	15,010,758.06	5,209,924.31	469.82	20,220,212.55	71,365,905
Sports Arts and Culture	890,602,036.09	9,996,155.28	(39,501.54)	900,558,689.83	244,585,209.12	54,263,401.95	31,069.17	298,817,541.90	601,741,148
Health Services	16,882,578.58	-	-	16,882,578.58	2,367,376.57	999,489.02	-	3,366,865.59	13,515,713
Corporate Services Totals	107,904,853.76	5,000,000.00	(2,402,434.23)	110,502,419.53	5,051,462.57	1,051,576.41	236,048.31	5,866,990.68	104,635,429
Local Economic Dev	817,806.27	-	(4,380.51)	813,425.76	439,844.95	94,002.30	3,857.77	529,989.48	283,436
Council General Exp	16,150,275.55	-	(968,613.42)	15,181,662.13	3,692,708.47	1,238,409.93	374,571.05	4,556,547.35	10,625,115
<b>TOTAL</b>	<b>11,918,127,678.42</b>	<b>101,128,268.02</b>	<b>(14,526,007.49)</b>	<b>12,004,729,938.95</b>	<b>5,589,686,967.17</b>	<b>439,621,837.16</b>	<b>8,000,530.94</b>	<b>6,021,308,273.39</b>	<b>5,983,421,665.56</b>



**Final consolidation of this report was done  
by the Performance Management Unit**

**Tel: +27 18 487 8527  
Fax: +27 86 528 5221  
[strategic@klerksdorp.org](mailto:strategic@klerksdorp.org)  
[www.matlosana.gov.za](http://www.matlosana.gov.za)  
C/O OR Thambo & Bram Fischer Street  
P.O. Box 99, Klerksdorp, 2570**